

Big Camera Corporation Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

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 200 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.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Big Camera Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (Collectively as “the Group”):

| Company’s name | Nature of business | Country of incorporation | Percentage of shareholding | |
|-------------------------------|---|--------------------------|----------------------------|-------------|
| | | | <u>2020</u> | <u>2019</u> |
| | | | Percent | Percent |
| Image Solution Plus Co., Ltd. | Printing services | Thai | 100 | 100 |
| Big Camera Holding Co., Ltd. | Holding business | Thai | - | 100 |
| Piccasus Co., Ltd. | Distribution and repair of photographic equipment | Thai | 100 | - |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

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

The impact of the adoption of these standards on the Group's financial statements is the initial recognition of lease deposits paid to lessors at fair value at the contract date and subsequent measurement of those lease deposits at their amortised costs at the end of the reporting period. The Group recognised the difference between the fair value as of the contract date and the transaction price as a part of right-of-use assets.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

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

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

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of reduction in lease payment as lease modification, reversal of deferred tax assets and impairment of non-financial assets.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to the reversal of deferred tax asset and impairment of non-financial assets. This has no significant impact on the Group's financial statements.

However, the Group has elected to continue to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|----------|-----------|-----------|
| | The impacts of | | | |
| | Financial reporting | | | |
| | standards related | | | |
| 31 December | to financial | | 1 January | |
| 2019 | instruments | TFRS 16 | 2020 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Building and equipment | 200,302 | - | (1,375) | 198,927 |
| Right-of-use assets | - | 12,983 | 1,085,643 | 1,098,626 |
| Leasehold rights | 63,604 | - | (63,604) | - |
| Other non-current assets | 149,668 | (12,983) | - | 136,685 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of finance lease liabilities | 795 | - | (795) | - |
| Current portion of lease liabilities | - | - | 238,592 | 238,592 |
| Non-current liabilities | | | | |
| Finance lease liabilities, net of current portion | 767 | - | (767) | - |
| Lease liabilities, net of current portion | - | - | 774,275 | 774,275 |
| Provision for decommissioning costs | - | - | 9,359 | 9,359 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|-------------------------------|--|-----------|-------------------|
| | The impacts of | | | 1 January 2020 |
| | 31 December 2019 | Financial reporting standards related | | |
| | | to financial instruments | TFRS 16 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Building and equipment | 191,526 | - | (1,375) | 190,151 |
| Right-of-use assets | - | 12,983 | 1,085,643 | 1,098,626 |
| Leasehold rights | 63,604 | - | (63,604) | - |
| Other non-current assets | 148,639 | (12,983) | - | 135,656 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of finance lease liabilities | 795 | - | (795) | - |
| Current portion of lease liabilities | - | - | 238,592 | 238,592 |
| Non-current liabilities | | | | |
| Finance lease liabilities, net of current portion | 767 | - | (767) | - |
| Lease liabilities, net of current portion | - | - | 774,275 | 774,275 |
| Provision for decommissioning costs | - | - | 9,359 | 9,359 |

4.1 Financial instruments

As at 1 January 2020, classification on and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follow:

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|--|-----------------------------------|--|
| | The former carrying amount | Classification and measurement in accordance with TFRS 9 |
| | | Amortised cost |
| Financial assets as at 1 January 2020 | | |
| Cash and cash equivalents | 49,155 | 49,155 |
| Trade and other receivable | 173,263 | 173,263 |
| Restricted bank deposits | 131,175 | 131,175 |
| Right-of-use assets | - | 12,983 |
| Other non-current assets | 149,668 | 136,685 |
| Total financial assets | 503,261 | 503,261 |

(Unit: Thousand Baht)

| | Separate financial statements | |
|--|-------------------------------|--|
| | The former carrying amount | Classification and measurement in accordance with TFRS 9 |
| | | Amortised cost |
| Financial assets as at 1 January 2020 | | |
| Cash and cash equivalents | 35,255 | 35,255 |
| Trade and other receivable | 164,054 | 164,054 |
| Restricted bank deposits | 131,175 | 131,175 |
| Right-of-use assets | - | 12,983 |
| Other non-current assets | 148,639 | 135,656 |
| Total financial assets | 479,123 | 479,123 |

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

4.2 Leases

On adoption of TFRS 16 the Group recognised lease liabilities in relation to lease that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the dates of initial application.

| | (Unit: Thousand Baht) |
|---|--|
| | Consolidated financial statements/ Separate financial statements |
| Operating lease commitments as at 31 December 2019 | 383,530 |
| Less: Short-term leases | (5,023) |
| Add: Option to extend lease term | 626,700 |
| Add: Others | 302 |
| Less: Deferred interest expenses | (35,626) |
| Increase in lease liabilities due to TFRS 16 adoption | 969,883 |
| Liabilities under finance lease agreements as at 31 December 2019 | 1,562 |
| Add: New contracts dated 1 January 2020 | 41,422 |
| Lease liabilities as at 1 January 2020 | 1,012,867 |
| Weighted average incremental borrowing rate (percent per annum) | 1.68 - 2.32 |
| Comprise of: | |
| Current lease liabilities | 238,592 |
| Non-current lease liabilities | 774,275 |
| | <u>1,012,867</u> |

5. Significant accounting policies

5.1 Revenue and expenses recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of assets is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the considerations received or receivable, excluding value added tax, of goods supplied after deducting discounts.

Rendering of services

Service revenue is recognised at a point in time upon completion of the services.

Revenue from sales supporting promotion

Revenue from sales supporting promotion is recognised at a point in time when the right to receive the revenue from sales supporting promotion is established.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

5.4 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

5.5 Building and equipment/Depreciation

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

| | <u>Useful life</u> |
|---|--------------------|
| Building and constructions | 20 years |
| Tools and equipment used in photographic labs | 3 and 5 years |
| Furniture, fixtures and office equipment | 5 years |
| Motor vehicles | 5 years |
| Computer | 3 years |

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

| | <u>Useful life</u> |
|--|--------------------|
| Computer software | 3 and 10 years |
| Rights for store operating and sales of goods and services | 10 years |

5.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include joint venture, associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel and directors with authority in the planning and direction of the Group's operations.

5.8 Leases

At inception of contract, the Group 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 Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, decommissioning cost, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | <u>Useful life</u> |
|-----------------------------|--------------------|
| Land | 6 years |
| Buildings and constructions | 1 - 20 years |
| Computer | 3 years |
| Motor vehicles | 5 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Long-term lease

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leasehold right and amortisation

Leasehold right are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to their cost on a straight-line basis over the lease periods.

The amortisation is recognised to profit or loss.

5.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period,

Gains and losses on exchange are included in determining income.

5.10 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the buildings and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established the provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognised restructuring-related costs.

5.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

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 Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group 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 that are lease deposits paid to lessors is initially recognised at fair value at the contract date and subsequently measured of those lease deposits at their amortised costs. The difference between the fair value as of the contract date and the transaction price is recognised as a part of right-of-use assets.

Classification and measurement of financial liabilities

At initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs necessary to make the sale; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

7. Related party transactions

During the years, 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 between the Group and those related parties.

(Unit: Thousand Baht)

| | Consolidated | | Separate | | <u>Transfer pricing policy</u> |
|---|-----------------------------|-------------|-----------------------------|-------------|--------------------------------|
| | <u>financial statements</u> | | <u>financial statements</u> | | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | |
| <u>Transactions with subsidiary</u> | | | | | |
| Hire of work | - | - | 5,459 | 12,266 | Contract prices |
| Rental income | - | - | 489 | 750 | Contract prices |
| Management income | - | - | 152 | 346 | Contract prices |
| <u>Transactions with related parties</u> | | | | | |
| Rental fee | 4,022 | 4,825 | 4,022 | 4,825 | Contract prices |
| Service expense | - | 176 | - | 170 | Contract prices |
| <u>Transactions with shareholders and director</u> | | | | | |
| Rental fee | 3,270 | 3,892 | 3,270 | 3,892 | Contract prices |

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related companies are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|--------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| <u>Trade and other receivables - related parties (Note 9)</u> | | | | |
| Other receivables - subsidiary | - | - | 63 | 278 |
| Total | - | - | 63 | 278 |
| <u>Deposits paid to related parties</u> | | | | |
| Related party (related by common shareholders) | 921 | 921 | 921 | 921 |
| Shareholders and director | 685 | 685 | 685 | 685 |
| Total | <u>1,606</u> | <u>1,606</u> | <u>1,606</u> | <u>1,606</u> |
| <u>Trade and other payable - related parties (Note 17)</u> | | | | |
| Trade payables - subsidiary | - | - | 1,001 | 1,107 |
| Other payables - related party (related by common shareholders) | 339 | - | 339 | - |
| Other payables - shareholders and director | 10 | - | 10 | - |
| Total | <u>349</u> | <u>-</u> | <u>1,350</u> | <u>1,107</u> |

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below

| | (Unit: Thousand Baht) | |
|------------------------------|---|---------------|
| | Consolidated financial statements/ Separate financial statements | |
| | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | 42,805 | 43,712 |
| Post-employment benefits | 1,747 | 7,241 |
| Total | <u>44,552</u> | <u>50,953</u> |

8. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|------------------|-----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Cash | 2,480 | 5,181 | 2,480 | 5,181 |
| Saving deposits | 406,511 | 39,976 | 379,786 | 26,471 |
| Current deposits | 3,265 | 3,998 | 3,201 | 3,603 |
| Total | 412,256 | 49,155 | 385,467 | 35,255 |

As at 31 December 2020, saving deposits carried interests between 0.1 percent and 0.4 percent per annum (2019: between 0.1 percent and 0.7 percent per annum).

9. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| <u>Trade receivables</u> | | | | |
| Trade receivables - unrelated parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 7,617 | 8,327 | 7,573 | 8,327 |
| Past due | | | | |
| Up to 3 months | 5,878 | 8,542 | 5,878 | 8,542 |
| 3 - 6 months | - | - | - | - |
| 6 - 12 months | - | - | - | - |
| Over 12 months | 54 | 54 | 54 | 54 |
| Total | 13,549 | 16,923 | 13,505 | 16,923 |
| Less: Allowance for expected credit loss | | | | |
| (2019: Allowance for doubtful debts) | (54) | (54) | (54) | (54) |
| Total trade receivables - unrelated parties, net | 13,495 | 16,869 | 13,451 | 16,869 |
| <u>Other receivables</u> | | | | |
| Other receivables - related party (Note 7) | - | - | 63 | 278 |
| Other receivables - unrelated parties | 773 | 956 | 773 | 956 |
| Other receivables from sales of investment in | | | | |
| joint venture | - | 9,469 | - | - |
| Prepaid expenses | 2,942 | 3,581 | 2,530 | 3,378 |
| Accrued revenue from sales supporting promotion | 63,739 | 151,744 | 63,739 | 151,744 |
| Interest receivables | 48 | 105 | 48 | 105 |
| Others | 1,128 | 2,681 | 1,101 | 2,470 |
| Total other receivables | 68,630 | 168,536 | 68,254 | 158,931 |
| Less: Allowance for expected credit loss | | | | |
| (2019: Allowance for doubtful debts) | (12,024) | (12,142) | (12,024) | (11,746) |
| Total other receivables, net | 56,606 | 156,394 | 56,230 | 147,185 |
| Trade and other receivables, net | 70,101 | 173,263 | 69,681 | 164,054 |

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

| | (Unit: Thousand Baht) | |
|--------------------------------------|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| As at 1 January 2020 | 12,196 | 11,800 |
| Provision for expected credit losses | 461 | 461 |
| Debt repayment | (579) | (183) |
| As at 31 December 2020 | <u>12,078</u> | <u>12,078</u> |

10. Inventories

| | (Unit: Thousand Baht) | | | | | |
|-------------------|-----------------------------------|------------------|--|------------------|------------------|------------------|
| | Consolidated financial statements | | | | | |
| | Cost | | Reduce cost to net realisable value | | Inventories-net | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Finished goods | 1,306,531 | 1,864,925 | (216,734) | (183,786) | 1,089,797 | 1,681,139 |
| Printing supplies | 106 | 330 | - | - | 106 | 330 |
| Supplies | 1,996 | - | - | - | 1,996 | - |
| Total | <u>1,308,633</u> | <u>1,865,255</u> | <u>(216,734)</u> | <u>(183,786)</u> | <u>1,091,899</u> | <u>1,681,469</u> |

| | (Unit: Thousand Baht) | | | | | |
|----------------|-------------------------------|------------------|--|------------------|------------------|------------------|
| | Separate financial statements | | | | | |
| | Cost | | Reduce cost to net realisable value | | Inventories-net | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Finished goods | <u>1,306,564</u> | <u>1,865,103</u> | <u>(216,734)</u> | <u>(183,786)</u> | <u>1,089,830</u> | <u>1,681,317</u> |

During the current year, the Company reduced cost of inventories by Baht 79 million (2019: Baht 83 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 46 million (2019: Baht 25 million), and reduced the amount of inventories recognised as expenses during the year.

11. Restricted bank deposits

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

12. Investments in subsidiaries

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

| Company's name | Shareholding percentage | | Cost | | Allowance for diminution in value of investments | | Carrying amounts - net | |
|-------------------------------|-------------------------|-------------|-----------------|-----------------|--|-------------|------------------------|-------------|
| | 31 December | 31 December | 31 December | 31 December | 31 December | 31 December | 31 December | 31 December |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Percent) | (Percent) | (Thousand Baht) | (Thousand Baht) | | | | |
| Image Solution Plus Co., Ltd. | 100 | 100 | 25,000 | 25,000 | - | - | 25,000 | 25,000 |
| Big Camera Holding Co., Ltd. | - | 100 | - | 20,000 | | (7,601) | - | 12,399 |
| Piccasus Co., Ltd. | 100 | - | 20,000 | - | - | - | 20,000 | - |
| Total | | | 45,000 | 45,000 | - | (7,601) | 45,000 | 37,399 |

On 5 June 2020, an Extraordinary Meeting of the shareholders of Big Camera Holding Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 8 June 2020. As at 30 June 2020, the subsidiary company completed its liquidation and the Company received capital return amounting to Baht 13 million. The subsidiary company registered its liquidation with the Ministry of Commerce on 1 July 2020. The Company realised gain from liquidation of subsidiary amounting to Baht 0.6 million, was presented under other income in statement of comprehensive income.

On 13 November 2020, the meeting of the Company's Board of Directors passed a resolution to approve the Company purchase by 100 ordinary shares of Piccacus Company Limited at a price of Baht 100 per share which is the same as a par value, from existing shareholder, representing a 100 percent interest in that company and passed a resolution to approve the increase in share capital of that company from Baht 10,000 (100 ordinary shares of Baht 100 each) to Baht 20 million (200,000 ordinary shares of Baht 100 each) through an issuance of additional 199,900 ordinary shares of Baht 100 each. The acquisition shares of that company aims to support the Group's future business expansion.

No dividend was received from the subsidiaries for the year ended 31 December 2020 and 2019.

13. Building and equipment

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | |
|---|-----------------------------------|---|---|----------------|----------|------------------------------|----------|
| | Buildings and constructions | Tools and equipment used in photographic labs | Furniture, fixtures and office equipment | Motor vehicles | Computer | Assets under installation | Total |
| Cost: | | | | | | | |
| As at 1 January 2019 | 3,895 | 163,984 | 448,239 | 44,502 | 72,182 | 2,000 | 734,802 |
| Additions | - | 20,459 | 4,792 | 2,562 | 5,707 | 23,704 | 57,224 |
| Disposals | - | (3,455) | - | (7,195) | - | - | (10,650) |
| Write-off | - | (910) | (42,512) | - | (3,013) | - | (46,435) |
| Transfer in (out) | - | 226 | 22,680 | 159 | - | (23,065) | - |
| As at 31 December 2019 | 3,895 | 180,304 | 433,199 | 40,028 | 74,876 | 2,639 | 734,941 |
| Adjustment due to adoption of TFRS 16 (Note 4) | - | - | - | (3,100) | (1,896) | - | (4,996) |
| 1 January 2020 | 3,895 | 180,304 | 433,199 | 36,928 | 72,980 | 2,639 | 729,945 |
| Additions | - | 3,107 | 2,042 | - | 749 | 13,098 | 18,996 |
| Disposals | - | (1,471) | (14) | (500) | - | - | (1,985) |
| Write-off | - | (454) | (67,425) | - | (1,522) | (170) | (69,571) |
| Transfer in (out) | 1,995 | (980) | 11,506 | - | 980 | (13,501) | - |
| As at 31 December 2020 | 5,890 | 180,506 | 379,308 | 36,428 | 73,187 | 2,066 | 677,385 |
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2019 | 1,962 | 116,007 | 305,568 | 22,712 | 49,771 | - | 496,020 |
| Depreciation for the year | 191 | 16,663 | 44,900 | 5,223 | 13,149 | - | 80,126 |
| Depreciation on disposals | - | (3,440) | - | (5,434) | - | - | (8,874) |
| Depreciation on write-off | - | (897) | (29,032) | - | (2,909) | - | (32,838) |
| As at 31 December 2019 | 2,153 | 128,333 | 321,436 | 22,501 | 60,011 | - | 534,434 |
| Adjustment due to adoption of TFRS 16 (Note 4) | - | - | - | (2,244) | (1,377) | - | (3,621) |
| 1 January 2020 | 2,153 | 128,333 | 321,436 | 20,257 | 58,634 | - | 530,813 |
| Depreciation for the year | 232 | 17,120 | 33,592 | 4,597 | 6,631 | - | 62,172 |
| Depreciation on disposals | - | (1,455) | (14) | (451) | - | - | (1,920) |
| Depreciation on write-off | - | (445) | (53,484) | - | (1,466) | - | (55,395) |
| Depreciation on transfer in (out) | - | (1,185) | - | - | 1,185 | - | - |
| As at 31 December 2020 | 2,385 | 142,368 | 301,530 | 24,403 | 64,984 | - | 535,670 |
| Allowance for impairment loss: | | | | | | | |
| As at 1 January 2019 | - | - | - | - | - | - | - |
| Increase during the year | - | - | 205 | - | - | - | 205 |
| As at 31 December 2019 | - | - | 205 | - | - | - | 205 |
| Decrease during the year | - | - | (205) | - | - | - | (205) |
| As at 31 December 2020 | - | - | - | - | - | - | - |
| Net book value: | | | | | | | |
| As at 31 December 2019 | 1,742 | 51,971 | 111,558 | 17,527 | 14,865 | 2,639 | 200,302 |
| As at 31 December 2020 | 3,505 | 36,855 | 77,778 | 12,025 | 9,486 | 2,066 | 141,715 |
| Depreciation for the year | | | | | | | |
| 2019 (Baht 17 million included in cost of services, and the balance in selling and administrative expenses) | | | | | | | 80,126 |
| 2020 (Baht 18 million included in cost of services, and the balance in selling and administrative expenses) | | | | | | | 62,172 |

(Unit: Thousand Baht)

Separate financial statements

| | Buildings and constructions | Tools and equipment used in photographic labs | Furniture, fixtures and office equipment | Motor vehicles | Computer | Assets under installation | Total |
|---|-----------------------------|---|--|----------------|----------|---------------------------|----------|
| Cost: | | | | | | | |
| As at 1 January 2019 | 3,895 | 132,733 | 447,935 | 44,502 | 70,653 | 2,000 | 701,718 |
| Additions | - | 20,459 | 4,792 | 2,562 | 5,656 | 23,704 | 57,173 |
| Disposals | - | (3,455) | - | (7,195) | - | - | (10,650) |
| Write-off | - | (910) | (42,512) | - | (3,013) | - | (46,435) |
| Transfer in (out) | - | 226 | 22,680 | 159 | - | (23,065) | - |
| As at 31 December 2019 | 3,895 | 149,053 | 432,895 | 40,028 | 73,296 | 2,639 | 701,806 |
| Adjustment due to adoption of TFRS 16 (Note 4) | - | - | - | (3,100) | (1,896) | - | (4,996) |
| 1 January 2020 | 3,895 | 149,053 | 432,895 | 36,928 | 71,400 | 2,639 | 696,810 |
| Additions | - | 2,286 | 1,939 | - | 749 | 13,098 | 18,072 |
| Disposals | - | (1,471) | (14) | (500) | - | - | (1,985) |
| Write-off | - | (334) | (67,425) | - | (1,522) | (170) | (69,451) |
| Transfer in (out) | 1,995 | (980) | 11,506 | - | 980 | (13,501) | - |
| As at 31 December 2020 | 5,890 | 148,554 | 378,901 | 36,428 | 71,607 | 2,066 | 643,446 |
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2019 | 1,962 | 96,319 | 305,365 | 22,712 | 49,040 | - | 475,398 |
| Depreciation for the year | 191 | 13,328 | 44,874 | 5,223 | 12,773 | - | 76,389 |
| Depreciation on disposals | - | (3,440) | - | (5,434) | - | - | (8,874) |
| Depreciation on write-off | - | (897) | (29,032) | - | (2,909) | - | (32,838) |
| As at 31 December 2019 | 2,153 | 105,310 | 321,207 | 22,501 | 58,904 | - | 510,075 |
| Adjustment due to adoption of TFRS 16 (Note 4) | - | - | - | (2,244) | (1,377) | - | (3,621) |
| 1 January 2020 | 2,153 | 105,310 | 321,207 | 20,257 | 57,527 | - | 506,454 |
| Depreciation for the year | 232 | 13,706 | 33,566 | 4,597 | 6,323 | - | 58,424 |
| Depreciation on disposals | - | (1,455) | (14) | (451) | - | - | (1,920) |
| Depreciation on write-off | - | (325) | (53,484) | - | (1,466) | - | (55,275) |
| Depreciation on transfer in (out) | - | (1,185) | - | - | 1,185 | - | - |
| As at 31 December 2020 | 2,385 | 116,051 | 301,275 | 24,403 | 63,569 | - | 507,683 |
| Allowance for impairment loss: | | | | | | | |
| As at 1 January 2019 | - | - | - | - | - | - | - |
| Increase during the year | - | - | 205 | - | - | - | 205 |
| As at 31 December 2019 | - | - | 205 | - | - | - | 205 |
| Decrease during the year | - | - | (205) | - | - | - | (205) |
| As at 31 December 2020 | - | - | - | - | - | - | - |
| Net book value: | | | | | | | |
| As at 31 December 2019 | 1,742 | 43,743 | 111,483 | 17,527 | 14,392 | 2,639 | 191,526 |
| As at 31 December 2020 | 3,505 | 31,220 | 77,626 | 12,025 | 9,321 | 2,066 | 135,763 |
| Depreciation for the year | | | | | | | |
| 2019 (Baht 13 million included in cost of services, and the balance in selling and administrative expenses) | | | | | | | 76,389 |
| 2020 (Baht 15 million included in cost of services, and the balance in selling and administrative expenses) | | | | | | | 58,424 |

As at 31 December 2020, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 326 million (2019: Baht 387 million) (Separate financial statements: Baht 305 million (2019: Baht 372 million)).

14. Lease

The Group has lease contracts for various item of assets used in its operations. Leases generally have lease term between 1 - 20 years.

14.1 Right-of-use assets

Movements of right-of-use assets accounts for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements / Separate financial statements

| | Land | Building and construction | Computer | Motor vehicles | Total |
|---|------------|------------------------------|-----------|-------------------|----------------|
| At 1 January 2020 | 546 | 1,096,705 | 519 | 856 | 1,098,626 |
| New lease contracts during the year | - | 212,821 | - | - | 212,821 |
| Change in lease fee estimations | - | 8,037 | - | - | 8,037 |
| Depreciation for the year | (91) | (281,645) | (424) | (546) | (282,706) |
| Contracts termination due to branch closures during the period | - | (214,115) | - | - | (214,115) |
| At 31 December 2020 | <u>455</u> | <u>821,803</u> | <u>95</u> | <u>310</u> | <u>822,663</u> |

14.2 Lease liabilities

Lease liabilities as at 31 December 2020 are presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements/ Separate financial statements |
|--|---|
| Lease payments | 774,679 |
| Less: Deferred interest expenses | (22,554) |
| Total | 752,125 |
| Less: Portion due within one year | (242,394) |
| Lease liabilities - net of current portion | <u>509,731</u> |

A maturity analysis of lease payments is disclosed in Note 28 under the liquidity risk.

Movements in lease liabilities during the year ended 31 December 2020 are summarised below.

| | (Unit: Thousand Baht) |
|--|--|
| | Consolidated financial statements / Separate financial statements |
| | <hr/> |
| Balance as at 1 January 2020 (Note 4) | 1,012,867 |
| Add: New lease contracts during the year | 210,950 |
| Change in lease fee estimations | 8,057 |
| Accretion of interest during the year | 15,441 |
| Less: Payments during the year | (235,544) |
| Contracts termination due to branch closures during the year | (212,833) |
| Reduction in lease payments by lessors | (46,813) |
| Balance as at 31 December 2020 | <hr/> <hr/> 752,125 |

14.3 Expenses relating to leases that are recognised in profit loss

The following are the amounts relating to lease contracts recognised in the statement of comprehensive income for the year ended 31 December 2020:

| | (Unit: Thousand Baht) |
|--|--|
| | Consolidated financial statements / Separate financial statements |
| | <hr/> |
| Depreciation expenses of right-of-use assets | 238,166 |
| Interest expenses on lease liabilities | 13,167 |
| Expense relating to short-term leases | 6,755 |

14.4 Other

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 245 million (Separate financial statements: Baht 245 million), including the cash outflow related to short-term leases.

15. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|-------------------------------------|-----------------------------------|--|----------|
| | Computer software | Rights for store operating and sales of goods and services | Total |
| As at 31 December 2020: | | | |
| Cost | 60,278 | 8,883 | 69,161 |
| Less: Accumulated amortisation | (24,092) | (5,945) | (30,037) |
| Less: Allowance for impairment loss | (3,044) | - | (3,044) |
| Net book value | 33,142 | 2,938 | 36,080 |
| As at 31 December 2019: | | | |
| Cost | 60,023 | 8,883 | 68,906 |
| Less: Accumulated amortisation | (19,871) | (4,164) | (24,035) |
| Less: Allowance for impairment loss | (3,407) | - | (3,407) |
| Net book value | 36,745 | 4,719 | 41,464 |

(Unit: Thousand Baht)

| | Separate financial statements | | |
|-------------------------------------|-------------------------------|--|----------|
| | Computer software | Rights for store operating and sales of goods and services | Total |
| As at 31 December 2020: | | | |
| Cost | 59,337 | 8,883 | 68,220 |
| Less: Accumulated amortisation | (24,092) | (5,945) | (30,037) |
| Less: Allowance for impairment loss | (3,044) | - | (3,044) |
| Net book value | 32,201 | 2,938 | 35,139 |
| As at 31 December 2019: | | | |
| Cost | 59,330 | 8,883 | 68,213 |
| Less: Accumulated amortisation | (19,871) | (4,164) | (24,035) |
| Less: Allowance for impairment loss | (3,407) | - | (3,407) |
| Net book value | 36,052 | 4,719 | 40,771 |

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Net book value at beginning of year | 41,464 | 43,989 | 40,771 | 43,989 |
| Acquisition of computer software | 255 | 3,051 | 7 | 2,358 |
| Amortisation for the year | (6,002) | (5,938) | (6,002) | (5,938) |
| Impairment loss reversal | 363 | 362 | 363 | 362 |
| Net book value at end of year | <u>36,080</u> | <u>41,464</u> | <u>35,139</u> | <u>40,771</u> |

16. Other non-current assets

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Deposit for lease and others | 125,996 | 146,060 | 125,996 | 146,060 |
| Others | 4,252 | 3,608 | 3,355 | 2,579 |
| Total | <u>130,248</u> | <u>149,668</u> | <u>129,351</u> | <u>148,639</u> |

17. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Trade payables - related party (Note 7) | - | - | 1,001 | 1,107 |
| Trade payables - unrelated parties | 316,051 | 588,096 | 315,872 | 587,553 |
| Other payables - related party (Note 7) | 349 | - | 349 | - |
| Other payables - unrelated parties | 32,378 | 25,817 | 32,375 | 25,716 |
| Accrued expenses | 20,637 | 50,111 | 17,519 | 48,654 |
| Others | 1,248 | 7,899 | 1,248 | 7,899 |
| Total | <u>370,663</u> | <u>671,923</u> | <u>368,364</u> | <u>670,929</u> |

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Provision for long-term employee benefits | | | | |
| at beginning of the year | 33,618 | 23,042 | 33,208 | 22,751 |
| Included in profit or loss: | | | | |
| Current service cost | 4,428 | 6,319 | 4,397 | 6,228 |
| Interest cost | 353 | 527 | 348 | 519 |
| Past service cost | - | 4,382 | - | 4,362 |
| Loss on settlement | 672 | - | 672 | - |
| Included in other comprehensive income: | | | | |
| Actuarial loss (gain) arising from | | | | |
| Demographic assumptions changes | 1,352 | - | 1,352 | - |
| Financial assumptions changes | 1,431 | - | 1,431 | - |
| Experience adjustments | (1,299) | - | (1,299) | - |
| Benefits paid during the year | (879) | (652) | (879) | (652) |
| Provision for long-term employee benefits | | | | |
| at end of the year | <u>39,676</u> | <u>33,618</u> | <u>39,230</u> | <u>33,208</u> |

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 4 million (Separate financial statements: Baht 4 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement for the year ended 31 December 2019

The Group expects to pay long-term employee benefits during the next year of Baht 0.08 million (2019: Nil) (Separate financial statements: Baht 0.08 million (2019: Nil)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 6 years and 10 years (2019: 6 years and 11 years) (Separate financial statements: 6 years (2019: 6 years)).

Significant actuarial assumptions are summarised below:

| | (Unit: % per annum) | | | |
|----------------------|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Discount rate | 1.01 | 1.93, 2.47 | 1.01 | 1.93 |
| Salary increase rate | 6 | 6 | 6 | 6 |
| Turnover rate | 0 - 42 | 0 - 37 | 0 - 42 | 0 - 37 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

| | (Unit: Thousand Baht) | | | | | | | |
|----------------------|-----------------------|-------|-------------|-------|----------------------|-------|-------------|-------|
| | 31 December 2020 | | | | | | | |
| | Consolidated | | | | Separate | | | |
| | financial statements | | | | financial statements | | | |
| | Increase 1% | | Decrease 1% | | Increase 1% | | Decrease 1% | |
| Discount rate | Decrease | 1,678 | Increase | 1,962 | Decrease | 1,638 | Increase | 1,916 |
| Salary increase rate | Increase | 1,930 | Decrease | 1,689 | Increase | 1,885 | Decrease | 1,649 |
| Turnover rate | Decrease | 1,872 | Increase | 1,519 | Decrease | 1,827 | Increase | 1,486 |

| | (Unit: Thousand Baht) | | | | | | | |
|----------------------|-----------------------|-------|-------------|-------|----------------------|-------|-------------|-------|
| | 31 December 2019 | | | | | | | |
| | Consolidated | | | | Separate | | | |
| | financial statements | | | | financial statements | | | |
| | Increase 1% | | Decrease 1% | | Increase 1% | | Decrease 1% | |
| Discount rate | Decrease | 1,330 | Increase | 1,542 | Decrease | 1,294 | Increase | 1,500 |
| Salary increase rate | Increase | 2,249 | Decrease | 2,005 | Increase | 2,200 | Decrease | 1,962 |
| Turnover rate | Decrease | 1,491 | Increase | 1,151 | Decrease | 1,449 | Increase | 1,121 |

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

20. Other income

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|----------------------|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Revenue from sales | | | | |
| supporting promotion | 66,200 | 210,768 | 66,220 | 210,768 |
| Others | 12,740 | 27,348 | 12,555 | 28,413 |
| Total | <u>78,940</u> | <u>238,116</u> | <u>78,775</u> | <u>239,181</u> |

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Changes in finished goods | 558,394 | 225,868 | 558,539 | 225,880 |
| Purchase of finished goods | 1,489,085 | 3,379,174 | 1,489,665 | 3,379,187 |
| Consumables used | 9,662 | 12,939 | 7,891 | 10,056 |
| Salary and wages and other employee benefits | 184,288 | 255,106 | 180,346 | 250,180 |
| Depreciation and amortisation | 306,341 | 93,126 | 302,592 | 89,389 |
| Related selling expenses, advertising and sales promotions | 85,376 | 150,846 | 85,376 | 150,846 |
| Rental and related service charges | 6,755 | 329,823 | 6,755 | 329,823 |
| Legal and consulting fee | 1,014 | - | 1,014 | - |
| Interest and bank charges | 14,469 | 3,168 | 14,469 | 3,167 |
| Reduction of cost to net realisable value of inventories | 32,948 | 57,507 | 32,948 | 57,507 |

22. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Current income tax: | | | | |
| Current income tax charge | 7,244 | 61,438 | 7,244 | 61,438 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | <u>(6,713)</u> | <u>(11,999)</u> | <u>(5,193)</u> | <u>(13,519)</u> |
| Income tax expense reported in profit or loss | <u>531</u> | <u>49,439</u> | <u>2,051</u> | <u>47,919</u> |

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Deferred tax relating to actuarial loss | <u>(297)</u> | <u>-</u> | <u>(297)</u> | <u>-</u> |

The reconciliation between accounting profit and income tax expenses is shown below.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Accounting profit before tax | <u>12,886</u> | <u>257,200</u> | <u>18,728</u> | <u>256,653</u> |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 2,577 | 51,440 | 3,746 | 51,331 |
| Deferred tax assets which were not recognised during the year | (204) | 1,862 | - | - |
| Utilisation of previously unrecognised tax losses | (121) | - | - | - |
| Share of loss from investments in joint venture | - | 138 | - | - |
| Effects of: | | | | |
| Non-deductible expenses | 153 | 517 | 149 | 467 |
| Additional expense deductions allowed | (2,530) | (3,751) | (2,398) | (3,616) |
| Others | 656 | (767) | 554 | (263) |
| Total | <u>(1,721)</u> | <u>(4,001)</u> | <u>(1,695)</u> | <u>(3,412)</u> |
| Income tax expenses reported in profit or loss | <u>531</u> | <u>49,439</u> | <u>2,051</u> | <u>47,919</u> |

The components of deferred tax assets are as follows:

| | (Unit: Thousand Baht) | | | |
|---|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Deferred tax assets | | | | |
| Allowance for diminution in value of inventories | 43,347 | 36,757 | 43,347 | 36,757 |
| Suppliers' discounts | 4,507 | 6,775 | 4,507 | 6,775 |
| Provision for long-term employee benefit | 7,846 | 6,642 | 7,846 | 6,642 |
| Allowance for expected credit losses (2019: Allowance for doubtful debt) | 2,416 | 2,360 | 2,416 | 2,360 |
| Allowance for impairment in investment in subsidiary | - | - | - | 1,520 |
| Allowance for impairment in assets | 609 | 722 | 609 | 722 |
| Contract liabilities | 5 | 50 | 5 | 50 |
| Leases | 1,586 | - | 1,586 | - |
| Total | <u>60,316</u> | <u>53,306</u> | <u>60,316</u> | <u>54,826</u> |

As at 31 December 2020, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 12 million (2019: Baht 13 million), on which deferred tax assets have not been recognised as there was uncertainty to utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

| | (Unit: Thousand Baht) | |
|------------------|-----------------------------------|---------------|
| | Consolidated financial statements | |
| | <u>2020</u> | <u>2019</u> |
| 31 December 2022 | 3,326 | 3,326 |
| 31 December 2023 | - | 536 |
| 31 December 2024 | 2,304 | 8,793 |
| 31 December 2025 | 6,546 | - |
| | <u>12,176</u> | <u>12,655</u> |

23. Earnings per share

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

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision market has been identified as Chief Executive Officer.

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.

25. Provident fund

The Group and their employees have jointly established the provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by Thanachart Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 4.1 million (2019: Baht 4.3 million) (Separate financial statements: Baht 4.0 million (2019: Baht 4.2 million)) were recognised as expenses.

26. Dividends

| Dividends | Approved by | Total dividends (Million Baht) | Dividend per share (Baht) |
|---------------------------|--|-----------------------------------|------------------------------|
| Interim dividend for 2019 | Board of Directors' meeting on 16 April 2020 | 105.9 | 0.03 |
| Total dividends for 2020 | | 105.9 | 0.03 |
| Final dividends for 2018 | Annual General Meeting of the shareholders on 25 April 2019 | 282.3 | 0.08 |
| Total dividends for 2019 | | 282.3 | 0.08 |

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately Baht 4 million (2019: Baht 4 million) (Separate financial statements: Baht 3 million) (2019: Baht 3 million)), relating to the purchase of equipment and installation of computer software.

27.2 Guarantees

As at 31 December 2020, the Company had outstanding bank guarantees of approximately Baht 117 million (2019: Baht 97 million) issued by banks on behalf of the Company as required in the normal course of business.

27.3 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 reorganization 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, it is believed that the Company has no obligations in respect of the guarantee.

28. Financial instruments

28.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments and lease liabilities/liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk is the risk of financial losses if a customer or the counter party in a financial instrument fails to meet its obligation. The risk primarily with respect to trade and other receivable, deposits with banks and financial institution and other financial instruments.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's management on an annual basis, and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Group's major transaction are denominated in Thai Baht. The balance of financial assets and liabilities denominated in foreign currencies are insignificant, the foreign currency risk is expect to be minimal.

The subsidiary exposure to foreign currency risk arises mainly from balance of other receivables that are denominated in foreign currencies.

The balances of financial assets denominated in foreign currencies were summarised below.

| Foreign currency | Consolidated | | Average exchange rate as at | |
|-------------------------|----------------------|-------------|--------------------------------------|-------------|
| | financial statements | | 31 December | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | (Billion) | (Billion) | (Baht per 100 foreign currency unit) | |
| Financial assets | | | | |
| Vietnamese dong | - | 7.3 | - | 0.13 |

Interest rate risk

The exposure to interest rate risk of the Group relates primarily to its cash at banks, and lease liabilities/liabilities under finance lease agreements. Most of financial assets and liabilities of the Group bears floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| Consolidated financial statement | | | | | | | |
|----------------------------------|----------------------|------------|--------------|------------------------|-----------------------|--------------|--|
| As at 31 December 2020 | | | | | | | |
| | Fixed interest rates | | | Floating interest rate | Non- interest Bearing | Total | Effective interest rate (Percent per annum) |
| | Within 1 year | 1-5 years | Over 5 years | | | | |
| <u>Financial Assets</u> | | | | | | | |
| Cash and cash equivalent | - | - | - | 406 | 6 | 412 | 0.1 - 0.4 |
| Trade and other receivables | - | - | - | - | 70 | 70 | - |
| Restricted bank deposits | 131 | - | - | - | - | 131 | 0.2 - 1.3 |
| | <u>131</u> | <u>-</u> | <u>-</u> | <u>406</u> | <u>76</u> | <u>613</u> | |
| <u>Financial liabilities</u> | | | | | | | |
| Trade and other payables | - | - | - | - | 371 | 371 | - |
| Lease liabilities | 242 | 495 | 15 | - | - | 752 | 0.5 - 2.1 |
| | <u>242</u> | <u>495</u> | <u>15</u> | <u>-</u> | <u>371</u> | <u>1,123</u> | |

(Unit: Million Baht)

Consolidated financial statement

As at 31 December 2019

| | Fixed interest rates | | | | Total | Effective interest rate |
|--|----------------------|-----------|------------------------|-----------------------|-------|-------------------------|
| | Within 1 year | 1-5 years | Floating interest rate | Non- interest Bearing | | |
| | | | | | | (Percent per annum) |
| Cash and cash equivalent | - | - | 40 | 9 | 49 | 0.1 - 0.7 |
| Trade and other receivables | - | - | - | 173 | 173 | - |
| Restricted bank deposits | 131 | - | - | - | 131 | 0.7 - 1.7 |
| | 131 | - | 40 | 182 | 353 | |
| <u>Financial liabilities</u> | | | | | | |
| Trade and other payables | - | - | - | 672 | 672 | - |
| Liabilities under financial lease agreements | 1 | 1 | - | - | 2 | 8.5 - 8.7 |
| | 1 | 1 | - | 672 | 674 | |

(Unit: Million Baht)

Separate financial statement

As at 31 December 2020

| | Fixed interest rates | | | | Total | Effective interest rate | |
|------------------------------|----------------------|-----------|--------------|------------------------|-------|-------------------------|-----------|
| | Within 1 year | 1-5 years | Over 5 years | Floating interest rate | | | |
| | | | | | | (Percent per annum) | |
| <u>Financial Assets</u> | | | | | | | |
| Cash and cash equivalent | - | - | - | 379 | 6 | 385 | 0.1 - 0.4 |
| Trade and other receivables | - | - | - | - | 70 | 70 | - |
| Restricted bank deposits | 131 | - | - | - | - | 131 | 0.2 - 1.3 |
| | 131 | - | - | 379 | 76 | 586 | |
| <u>Financial liabilities</u> | | | | | | | |
| Trade and other payables | - | - | - | - | 368 | 368 | - |
| Lease liabilities | 242 | 495 | 15 | - | - | 752 | 0.5 - 2.1 |
| | 242 | 495 | 15 | - | 368 | 1,120 | |

(Unit: Million Baht)

| Separate financial statement | | | | | | |
|---|--------------|---------------------------|--------------------------|-------|-----|---|
| As at 31 December 2019 | | | | | | |
| Fixed interest rates | | | | | | Effective interest rate (Percent per annum) |
| Within 1 year | 1-5 years | Floating interest rate | Non- interest Bearing | Total | | |
| Financial Assets | | | | | | |
| Cash and cash equivalent | - | - | 26 | 9 | 35 | 0.1 - 0.7 |
| Trade and other receivables | - | - | - | 164 | 164 | - |
| Restricted bank deposits | 131 | - | - | - | 131 | 0.7 - 1.7 |
| | 131 | - | 26 | 173 | 330 | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | 671 | 671 | - |
| Liabilities under finance lease agreements | 1 | 1 | - | - | 2 | 8.5 - 8.7 |
| | 1 | 1 | - | 671 | 673 | |

The Group only has interest rate risk to cash at banks because deposit account interest rates at banks are considered low and has a slight change. Therefore, the management believes that the impact of interest rate risk is immaterial.

Liquidity risk

The Group need liquidity to meet its obligations and is responsible for its own cash balances to cover the liquidity needs. The Group monitors the risk of a shortage of liquidity position by recurring liquidity planning an adequate level of cash and cash equivalent, unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

| (Unit: Million Baht) | | | | |
|-----------------------------------|---------------------|-----------------|-----------------|--------------|
| Consolidated financial statements | | | | |
| | Less than 1 year | 1 to 5 years | Over 5 years | Total |
| Trade and other payables | 371 | - | - | 371 |
| Lease liabilities | 253 | 506 | 16 | 775 |
| Total | 624 | 506 | 16 | 1,146 |

(Unit: Million Baht)

| | Separate financial statements | | | Total |
|--------------------------|-------------------------------|-----------------|-----------------|--------------|
| | Less than 1 year | 1 to 5 years | Over 5 years | |
| Trade and other payables | 368 | - | - | 368 |
| Lease liabilities | 253 | 506 | 16 | 775 |
| Total | 621 | 506 | 16 | 1,143 |

28.2 Fair values of financial instruments

Since the majority of financial instruments of the Group are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

29. Capital management

The primary objective of the capital management of the Group is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.68:1 (2019: 0.40:1) and the Company's was 0.68:1 (2019: 0.40:1).

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.