

Big Camera Corporation Public Company Limited and its subsidiaries

Condensed notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024

1. General information

1.1 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 presenting condensed interim financial statements. 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 and has presented notes to the interim financial statements on a condensed basis.

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.

1.2 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 2023, with no change in the composition of the Group during the current period.

1.3 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which were 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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		Transfer
	financial statements		financial statements		pricing policy
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
<u>Transactions with subsidiaries</u>					
(eliminated for the consolidated financial statements)					
Hire of work	-	-	2,621	1,750	Contract prices
Purchases of goods	-	-	261,183	101,135	Mutual agree prices
Sales of goods	-	-	3	52	Mutual agree prices
Repair fee paid	-	-	709	686	Mutual agree prices
Management income	-	-	5,565	2,599	Contract prices
Promotional supporting income	-	-	7,083	6,792	Contract prices
Trade discount	-	-	1,275	1,661	Contract prices
Interest income	-	-	1,297	687	5.505% and 6.205% per annum
Repair fee income	-	-	9	15	Mutual agree prices
<u>Transactions with related parties</u>					
Rental fee paid	1,494	1,051	1,051	1,051	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	1,041	1,041	874	874	Contract prices

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		Transfer
	financial statements		financial statements		pricing policy
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
<u>Transactions with subsidiaries</u>					
(eliminated for the consolidated financial statements)					
Hire of work	-	-	4,794	3,972	Contract prices
Purchases of goods	-	-	500,158	239,175	Mutual agree prices
Sales of goods	-	-	12	137	Mutual agree prices
Repair fee paid	-	-	1,291	1,222	Mutual agree prices
Management income	-	-	10,830	4,655	Contract prices
Revenue from sales supporting promotion	-	-	14,068	8,396	Contract prices
Trade discount	-	-	2,409	2,898	Contract prices
Interest income	-	-	2,109	845	5.505% and 6.205% per annum
Repair fee income	-	-	23	25	Mutual agree prices
<u>Transactions with related parties</u>					
Rental fee paid	2,979	2,101	2,101	2,101	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	2,083	2,083	1,748	1,748	Contract prices

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		(Audited)		(Audited)
<u>Trade and other receivables - subsidiaries (Note 3)</u>				
Trade receivables	-	-	2	111
Other receivables	-	-	3,638	2,744
Accrued revenue	-	-	9,872	7,591
Total	-	-	13,512	10,446
<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	1,606	1,606	1,606	1,606
<u>Trade and other payable - related parties (Note 10)</u>				
Trade payables - subsidiaries	-	-	95,812	39,728
Other payables - related company (related by common shareholders)	26	-	-	-
Other payables - shareholders and directors	56	76	-	-
Total	82	76	95,812	39,728

Short-term loan to subsidiaries

(Unit: Thousand Baht)

Loans to	Separate financial statements		
	Balance as at		Balance as at
	1 January		30 June
	2024	Increase	Decrease
Piccasus Co., Ltd.	-	80,000	(30,000)
Image Solution Plus Co., Ltd.	-	2,000	(2,000)
	-	82,000	(32,000)

During the period, the Company had short-term loans to subsidiaries carried interest rate at 6.205% per annum. The loans will repaid in the second quarter of 2025.

Long-term loan to subsidiary

On 10 March 2023, the Company entered into a loan agreement with Piccasus Co., Ltd., a subsidiary, of Baht 50 million. Interest on loan is 5.505% per annum. The loan will repaid in March 2026.

Agreements with related parties

- Image Solution Plus Co., Ltd., a subsidiary, entered into 1-year office space rental agreement with the Company's shareholder for its operation. This contract will expire in December 2024. The subsidiary has to pay a monthly rental fee approximately Baht 0.06 million.
- Piccasus Co., Ltd., a subsidiary, entered into 1-year office space rental agreement with Midas Development Company Limited, a related company, for its operation. This contract will expire in December 2024. The subsidiary has to pay a monthly rental fee approximately Baht 0.12 million.

Directors and management's benefits

(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	
	2024	2023	2024	2023
Short-term employee benefits	9,640	9,379	19,294	18,713
Post-employment benefits	646	599	1,292	1,198
Total	10,286	9,978	20,586	19,911

3. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivable - related party				
(Note 2)	-	-	2	111
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	16,870	16,040	16,523	11,768
Past due				
Not over 3 months	13,057	11,032	8,357	10,700
3 - 6 months	8	1	8	-
6 - 12 months	1	-	-	-
Total trade receivables	29,936	27,073	24,890	22,579
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	-	-	3,638	2,744
Other receivables - unrelated parties	860	857	860	857
Prepaid expenses	7,341	8,706	6,449	7,928
Accrued revenue from sales				
supporting promotion	52,392	64,948	46,326	60,338
Accrued revenue - related party				
(Note 2)	-	-	9,872	7,591
Interest receivables	572	343	572	343
Advance payments for goods	16,716	25,074	-	-
Others	6,822	2,718	6,448	2,614
Total other receivables	84,703	102,646	74,165	82,415
Less: Allowance for expected credit				
loss	(1,591)	(2,899)	(1,591)	(2,899)
Total other receivables, net	83,112	99,747	72,574	79,516
Total trade and other receivables, net	113,048	126,820	97,464	102,095

4. Reduction of cost to net realisable value of inventories

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2024	213,694
Less: Reversal of reduction cost to net realisable value of inventories during the period	(10,818)
Balance as at 30 June 2024	<u>202,876</u>

5. Other current financial assets

As at 30 June 2024, the Company had debt instrument at amortised cost which is fixed deposit receipt (FDR) amounting to Baht 205 million (31 December 2023: Baht 405 million). Interest is 2.50 percent per annum (31 December 2023: between 1.60 to 2.50 percent per annum).

6. Investments in subsidiaries

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2024	45,000
Add: Addition during the period	12,500
Balance as at 30 June 2024	<u>57,500</u>

During the current period, Image Solution Plus Co., Ltd., ("IMG"), a subsidiary, increased its called-up share capital from 50 percent to 75 percent of 5,000,000 ordinary shares, amounting to Baht 12.5 million. IMG received a payment for these shares from the Company. As a result, the Company's investment in IMG in its separate financial statements as at 30 June 2024, amounting to Baht 37.5 million.

7. Building and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2024	113,922	94,559
Acquisitions during the period, at cost	23,593	16,375
Disposal/written-off during the period, net book value at disposal/written-off date	(1,580)	(1,579)
Depreciation for the period	(15,673)	(12,865)
Reversal of allowance for impairment	418	418
Net book value as at 30 June 2024	<u>120,680</u>	<u>96,908</u>

8. Right-of-use assets

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
Balance as at 1 January 2024	412,634	
Add: New lease contracts during the period	23,592	
Change in lease fee estimation	57,437	
Less: Change in provision for decommissioning costs	(57)	
Depreciation for the period	(128,271)	
Contracts termination due to branch closures during the period	(1,263)	
Balance as at 30 June 2024	<u>364,072</u>	

9. Other non-current assets

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	30 June 2024	31 December 2023 (Audited)
Deposit for lease and others	113,745	112,301
Others	426	464
Total	<u>114,171</u>	<u>112,765</u>

10. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	-	-	95,812	39,728
Trade payables - unrelated parties	335,824	328,517	335,296	327,766
Other payables - related parties (Note 2)	82	76	-	-
Other payables - unrelated parties	17,153	38,659	11,879	34,435
Accrued expenses	25,040	27,115	21,805	23,060
Others	5,920	3,136	5,184	2,230
Total	384,019	397,503	469,976	427,219

11. Lease liabilities

Lease liabilities as at 30 June 2024 are presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
Lease payments	333,920
Less: Deferred interest expenses	(4,346)
Total	329,574
Less: Portion due within one year	(192,072)
Lease liabilities - net of current portion	137,502

Movements in lease liabilities during the six-month period ended 30 June 2024 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2024	377,502
Add: New lease contracts during the period	23,592
Accretion of interest during the period	2,358
Change in lease fee estimations	57,437
Less: Payments during the period	(129,986)
Contracts termination due to branch closures during the period	(1,329)
Balance as at 30 June 2024	329,574

12. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	5,199	1,302	3,294	278
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>1,691</u>	<u>3,297</u>	<u>1,377</u>	<u>1,527</u>
Income tax expenses reported in the statement of comprehensive income	<u><u>6,890</u></u>	<u><u>4,599</u></u>	<u><u>4,671</u></u>	<u><u>1,805</u></u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	12,909	8,791	9,934	4,798
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>1,124</u>	<u>1,294</u>	<u>2,240</u>	<u>2,386</u>
Income tax expenses reported in the statement of comprehensive income	<u>14,033</u>	<u>10,085</u>	<u>12,174</u>	<u>7,184</u>

13. Segment information

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

14. Dividends

Dividends declared during the six-month period ended 30 June 2024 and 2023 consist of the follows:

Dividends	Approved by	Total dividends (Thousand Baht)	Dividends per share (Baht)
Final dividends for 2022	Annual General Meeting of the shareholders on 26 April 2023	70,577	0.02
Total		<u>70,577</u>	<u>0.02</u>
Final dividends for 2023	Annual General Meeting of the shareholders on 25 April 2024	52,933	0.015
Total		<u>52,933</u>	<u>0.015</u>

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 30 June 2024, the Group had capital commitments of approximately Baht 5 million (31 December 2023: Baht 7 million) (Separate financial statements: Baht 4 million (31 December 2023: Baht 5 million)), relating to the purchase of equipment and installation of computer software.

15.2 Guarantees

As at 30 June 2024, the Company had outstanding bank guarantees of approximately Baht 47 million (31 December 2023: Baht 62 million) issued by banks on behalf of the Company as required in the normal course of business.

15.3 Litigation

In November 2019, the Company received a writ of summons since serving as a guarantor under the overdraft agreement of a former subsidiary, which the Company had acquired through a reverse acquisition in 2014. This subsidiary defaulted on its loan payments to bank, leading to the bank's decision to file a lawsuit against the Company in its capacity as the guarantor and demand settlement of the principal and interest thereon totaling Baht 9.7 million. However, both legal advisor and the management were of the opinion that the Company has no obligations in respect of the guarantee because the obligations arising from this guarantee were included in the rehabilitation process of that business, and the bank opted to receive loan payments directly from the subsidiary. Subsequently, the subsidiary completed the business rehabilitation plan, and the Central Bankruptcy Court granted the requested cancellation of the business rehabilitation plan before the Company proceeded with the business combination under the reverse acquisition. Furthermore, on 25 December 2020, the Court of First Instance reviewed and issued a judgment dismissing the case. On 23 November 2021, the Appeal Court rendered a judgment affirming that the Central Bankruptcy Court has jurisdiction over this case. Therefore, the initial judgment of the Court of First Instance was upheld, but the right to initiate a lawsuit with the Central Bankruptcy Court remained intact. Subsequently, in October 2022, the Supreme Court obtained the bank's petition and the Company's answer brief concerning the Court's jurisdiction. On 17 August 2023, the Supreme Court issued a judgment overturning the prior verdict rendered by the Appeal Court and ordering the case to be retried and reconsidered. On 16 May 2024, the Court of Appeal upheld the judgment of the Court of First Instance. The case is currently pending the plaintiff's appeal. However, the Company's management is of the opinion that the litigation will not result in any losses, and therefore, no provision has been recorded in the accounts.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 August 2024.