

Big Camera Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 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 choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 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 2022.

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 are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon among the Group and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Transfer 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	-	-	2,173	2,222	Contract prices
Purchases of goods	-	-	238,975	138,040	Mutual agree prices
Sales of goods	-	-	9	85	Mutual agree prices
Repair fee paid	-	-	582	536	Mutual agree prices
Management income	-	-	5,265	2,056	Contract prices
Promotional supporting income	-	-	6,985	1,604	Contract prices
Trade discount	-	-	1,134	1,237	Contract prices
Interest income	-	-	812	158	5.505% and 6.205% per annum
Other income	-	-	14	10	Contract prices
<u>Transactions with related party</u>					
Rental fee paid	1,485	1,050	1,050	1,050	Contract prices
<u>Transactions with shareholders and directors</u>					
Rental fee paid	1,042	1,042	874	874	Contract prices

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Audited)		(Audited)
<u>Trade and other receivables - subsidiaries (Note 3)</u>				
Trade receivables	-	-	10	111
Other receivables	-	-	3,947	2,744
Accrued revenue	-	-	10,094	7,591
Interest receivable	-	-	1	-
Total	-	-	14,052	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 17)</u>				
Trade payables - subsidiaries	-	-	69,522	39,728
Other payables - related company	35	-	9	-
Other payables - shareholders and directors	69	76	13	-
Total	104	76	69,544	39,728
<u>Long-term loan to subsidiary</u>				

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.

Short-term loan to subsidiaries

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements		
	Balance as at 1 January 2024	Increase	Balance as at 31 March 2024
Loans to			
Piccasus Co., Ltd.	-	30,000	30,000
Image Solution Plus Co., Ltd.,	-	2,000	2,000
	-	32,000	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 2024.

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)

For the three-month periods ended
31 March

	Consolidated financial statements/ Separate financial statements	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	9,654	9,334
Post-employment benefits	646	599
Total	10,300	9,933

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivable - related party (Note 2)	-	-	10	111
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	21,765	16,040	19,250	11,768
Past due				
Not over 3 months	15,903	11,032	15,443	10,700
3 - 6 months	180	1	180	-
6 - 12 months	1	-	-	-
Total trade receivables	37,849	27,073	34,883	22,579
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	-	-	3,947	2,744
Other receivables - unrelated parties	857	857	857	857
Prepaid expenses	9,119	8,706	8,328	7,928
Accrued revenue from sales supporting promotion	63,769	64,948	58,121	60,338
Accrued revenue - related party (Note 2)	-	-	10,094	7,591
Interest receivables	496	343	491	343
Interest receivables - related party				
(Note 2)	-	-	1	-
Advance payments for goods	33,793	25,074	-	-
Others	1,682	2,718	1,515	2,614
Total other receivables	109,716	102,646	83,354	82,415
Less: Allowance for expected credit loss	(2,899)	(2,899)	(2,899)	(2,899)
Total other receivables, net	106,817	99,747	80,455	79,516
Total trade and other receivables, net	144,666	126,820	115,338	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	(4,652)
Balance as at 31 March 2024	209,042

5. Other current financial assets

As at 31 March 2024, the Company had debt instrument at amortised cost which is fixed deposit receipt (FDR) amounting to Baht 204 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. 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	19,182	13,003
Disposal/written-off during the period, net book value at disposal/written-off date	(1,370)	(1,369)
Depreciation for the period	(7,638)	(6,383)
Reversal of allowance for impairment	418	418
Net book value as at 31 March 2024	124,514	100,228

7. 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	20,112
Change in lease fee estimation	18,320
Less: Change in provision for decommissioning costs	(28)
Depreciation for the period	(64,322)
Contracts termination due to branch closures during the period	(1,263)
Balance as at 31 March 2024	385,453

8. Other non-current assets

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
Deposit for lease and others	115,503	112,301
Others	445	464
Total	115,948	112,765

9. Trade and other payables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 March	31 December
	2023	2022
		(Audited)
Trade payables - related parties		
(Note 2)	-	-
Trade payables - unrelated parties	262,649	328,517
Other payables - related parties		
(Note 2)	104	76
Other payables - unrelated parties	27,474	38,659
Accrued expenses	21,147	27,115
Others	7,619	3,136
Total	318,993	397,503

10. Lease liabilities

Lease liabilities as at 31 March 2024 are presented below.

	(Unit: Thousand Baht)
	Consolidated financial
	statements/ Separate
	financial statements
Lease payments	356,269
Less: Deferred interest expenses	(5,339)
Total	350,930
Less: Portion due within one year	(200,096)
Lease liabilities - net of current portion	150,834

Movements in lease liabilities during the three-month period ended 31 March 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	20,112
Accretion of interest during the period	1,279
Change in lease fee estimations	18,320
Less: Payments during the period	(63,222)
Contracts termination due to branch closures during the period	(1,329)
Reduction in lease payments by lessors	(1,732)
Balance as at 31 March 2024	350,930

11. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	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	7,710	7,489	6,640	4,520
Deferred tax:				
Relating to origination and reversal of temporary differences	(567)	(2,003)	863	859
Income tax expenses reported in the profit or loss	7,143	5,486	7,503	5,379

12. Segment information

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

13. Commitments and contingent liabilities

13.1 Capital commitments

As at 31 March 2024, the Group had capital commitments of approximately Baht 8 million (31 December 2023: Baht 7 million) (Separate financial statements: Baht 7 million (31 December 2023: Baht 5 million)), relating to the purchase of equipment and installation of computer software.

13.2 Guarantees

As at 31 March 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.

13.3 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. Currently, the case is being reconsidered by the Appeal Court. However, the Company's management is of the opinion that the litigation will not incur any losses, and therefore, no provision has been recorded in its accounts.

14. Event after the reporting period

On 25 April 2024, the Annual General Meeting of shareholders of the Company approved a dividend payment from the 2023 operating results of Baht 0.015 per share, totaling Baht 52.9 million to the shareholders.

15. Approval of interim financial statements

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