

Big Camera Corporation Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information of the Company

Big Camera Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of cameras, mobile phones, and photography and mobile phone related products, together with the related services such as the provision of photographic processing and photographic equipment repair services, etc. The registered office of the Company is at 115, 115/1 Sawatdikarn 1 Road, Nongkheam Subdistrict, Nongkheam District, Bangkok 10160. The Company has more than 160 branches countrywide.

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	
			2022 Percent	2021 Percent
Image Solution Plus Co., Ltd.	Printing services	Thailand	100	100
Piccasus Co., Ltd.	Distribution and repair of photographic equipment	Thailand	100	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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 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.

Finance cost

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

4.2 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.

4.3 Inventories

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

4.4 Investments in subsidiaries

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

4.5 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.

4.6 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 the straight-line 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

4.7 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 associates 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.

4.8 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

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, lease payments made at or before the commencement date of the lease and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 Financial instruments

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 component, 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 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.

ECLs are calculated 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.

5. 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:

Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make sale. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon approximate aging profile 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

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 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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. 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 financial statements		Separate financial statements		Transfer pricing policy
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Purchases of goods	-	-	429,574	124,182	Mutual agree prices
Hire of work	-	-	8,364	3,752	Contract prices
Sales of goods	-	-	460	-	Mutual agree prices
Repair fee paid	-	-	2,110	1,427	Mutual agree prices
Rental income	-	-	558	-	Contract prices
Management income	-	-	2,657	1,921	Contract prices
Revenue from sales supporting promotion	-	-	6,486	2,714	Contract prices
Interest income	-	-	325	136	1.21% per annum
Other expenses	-	-	22	884	Contract prices
<u>Transactions with related parties</u>					
Rental fee paid	4,018	3,630	4,018	3,630	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	3,315	2,966	3,315	2,966	Contract prices

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade and other receivables - subsidiaries</u>				
(Note 8)				
Trade receivables	-	-	-	79
Other receivables	-	-	605	560
Accrued revenue	-	-	1,183	557
Advance payments for goods	-	-	40,220	-
Interest receivable	-	-	-	84
Total	<u>-</u>	<u>-</u>	<u>42,008</u>	<u>1,280</u>

Deposits paid to related parties

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

Trade and other payable - related parties

(Note 17)				
Trade payables - subsidiaries	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>15,398</u>
Total	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>15,398</u>

The balances of loans between the Company and the related party as at 31 December 2022 and 2021, and the movements are as follows:

Short-term loans to related party - subsidiary

Company's name	(Unit: Thousand Baht)		
	Separate financial statements		
	31 December 2021	Receiving during the year	31 December 2022
Piccasus Co., Ltd.	<u>35,000</u>	<u>(35,000)</u>	<u>-</u>

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	39,196	34,897
Post-employment benefits	2,287	2,026
Total	<u>41,483</u>	<u>36,923</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	2,196	2,246	2,196	2,246
Saving deposits	246,793	381,613	209,041	363,655
Current deposits	4,692	8,235	4,264	7,948
Total	<u>253,681</u>	<u>392,094</u>	<u>215,501</u>	<u>373,849</u>

As at 31 December 2022, saving deposits carried interests between 0.15 percent and 0.50 percent per annum (2021: between 0.1 percent and 0.4 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables</u>				
Trade receivables - related parties (Note 6)	-	-	-	79
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	19,033	11,603	10,530	9,338
Past due				
Up to 3 months	7,538	5,140	6,520	4,907
3 - 6 months	3	102	3	102
Total trade receivables	<u>26,574</u>	<u>16,845</u>	<u>17,053</u>	<u>14,426</u>
<u>Other receivables</u>				
Other receivables - related party (Note 6)	-	-	605	560
Other receivables - unrelated parties	771	569	771	569
Prepaid expenses	6,150	2,820	5,557	2,357
Accrued revenue from sales supporting promotion	41,468	44,359	38,959	43,896
Accrued revenue - related party (Note 6)	-	-	1,183	557
Interest receivables	27	16	27	16
Interest receivable - related party (Note 6)	-	-	-	84
Advance payments for goods	15,852	7,483	-	380
Advance payments for goods - related party (Note 6)	-	-	40,220	-
Others	2,052	2,056	1,401	1,814
Total other receivables	<u>66,320</u>	<u>57,303</u>	<u>88,723</u>	<u>50,233</u>
Less: Allowance for expected credit loss	<u>(3,505)</u>	<u>(12,478)</u>	<u>(2,991)</u>	<u>(12,478)</u>
Total other receivables, net	<u>62,815</u>	<u>44,825</u>	<u>85,732</u>	<u>37,755</u>
Total trade and other receivables, net	<u>89,389</u>	<u>61,670</u>	<u>102,785</u>	<u>52,181</u>

The normal credit term is 7 - 30 days.

In 2022, the Company already received accrued revenue from sales supporting promotion from its vendor. The Company therefore reversed allowance for expected credit loss previously recorded in the account amounting Baht 10.8 million and included such amount in other income in the statement of comprehensive income.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	12,478	12,078	12,478	12,078
Provision for expected credit losses	2,371	738	1,857	738
Write off bad debt expenses	(164)	(54)	(164)	(54)
Debt repayment	(11,180)	(284)	(11,180)	(284)
Ending balance	<u>3,505</u>	<u>12,478</u>	<u>2,991</u>	<u>12,478</u>

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	1,017,241	971,161	(217,601)	(248,172)	799,640	722,989
Printing supplies	214	118	-	-	214	118
Supplies	2,415	2,413	-	-	2,415	2,413
Total	<u>1,019,870</u>	<u>973,692</u>	<u>(217,601)</u>	<u>(248,172)</u>	<u>802,269</u>	<u>725,520</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	1,007,578	960,427	(217,601)	(248,172)	789,977	712,255

During the current year, the Company reduced cost of inventories by Baht 30 million (2021: Baht 68 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 60 million (2021: Baht 37 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other current financial assets

As at 31 December 2022, the Company has debt instrument at amortised cost which is fixed deposit receipt (FDR) amounting to Baht 507 million (2021: Baht 301 million). Carried interest between 1.05 to 1.35 percent per annum (2021: between 1.05 to 1.35 percent per annum).

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	Paid-up capital		Shareholding percentage		Cost	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Million Baht)	(Million Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)
Image Solution Plus Co., Ltd.	25	25	100	100	25,000	25,000
Piccasus Co., Ltd.	20	20	100	100	20,000	20,000
Total					45,000	45,000

No dividend was received from the subsidiaries for the years ended 31 December 2022 and 2021.

13. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Buildings and constructions	Tools and equipment used in photographic labs	Furniture, fixtures and office equipment	Motor vehicles	Computer	Assets under installation	
Cost:							
As at 1 January 2021	5,890	180,506	379,308	36,428	73,187	2,066	677,385
Additions	-	5,773	1,547	-	1,887	14,961	24,168
Disposals	-	(212)	(227)	-	(97)	-	(536)
Write-off	-	(226)	(15,325)	-	(1,447)	-	(16,998)
Transfer in from right-of-use assets (Note 14)	-	-	-	3,099	-	-	3,099
Transfer in (out)	-	-	13,575	-	-	(13,575)	-
As at 31 December 2021	5,890	185,841	378,878	39,527	73,530	3,452	687,118
Additions	-	7,050	2,854	1,709	901	23,881	36,395
Disposals	-	(315)	(51)	(4,690)	(1,835)	-	(6,891)
Write-off	-	(69)	(13,020)	-	(268)	(515)	(13,872)
Transfer in from right-of-use assets (Note 14)	-	-	-	-	1,896	-	1,896
Transfer in (out)	-	-	14,041	-	-	(14,041)	-
As at 31 December 2022	5,890	192,507	382,701	36,546	74,224	12,777	704,646

(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
Accumulated depreciation:							
As at 1 January 2021	2,385	142,368	301,530	24,403	64,984	-	535,670
Depreciation for the year	290	16,260	32,486	3,883	4,231	-	57,150
Depreciation on disposals	-	(210)	(214)	-	(75)	-	(499)
Depreciation on write-off	-	(221)	(13,883)	-	(1,389)	-	(15,493)
Transfer in from right-of-use assets (Note 14)	-	-	-	2,789	-	-	2,789
As at 31 December 2021	2,675	158,197	319,919	31,075	67,751	-	579,617
Depreciation for the year	290	14,165	25,459	2,267	1,608	-	43,789
Depreciation on disposals	-	(289)	(51)	(3,286)	(1,761)	-	(5,387)
Depreciation on write-off	-	(65)	(11,302)	-	(254)	-	(11,621)
Transfer in from right-of-use assets (Note 14)	-	-	-	-	1,801	-	1,801
As at 31 December 2022	2,965	172,008	334,025	30,056	69,145	-	608,199

(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
Allowance for impairment loss:							
As at 1 January 2021	-	-	-	-	-	-	-
Increase during the year	-	-	1,633	-	-	-	1,633
As at 31 December 2021	-	-	1,633	-	-	-	1,633
Decrease during the year	-	-	(1,616)	-	-	-	(1,616)
As at 31 December 2022	-	-	17	-	-	-	17
Net book value:							
As at 31 December 2021	3,215	27,644	57,326	8,452	5,779	3,452	105,868
As at 31 December 2022	2,925	20,499	48,659	6,490	5,079	12,778	96,430
Depreciation for the year							
2021 (Baht 17 million included in cost of services, and the balance in selling and administrative expenses)							57,150
2022 (Baht 13 million included in cost of services, and the balance in selling and administrative expenses)							43,789

(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 2021	5,890	148,554	378,901	36,428	71,607	2,066	643,446
Additions	-	35	1,547	-	1,624	14,893	18,099
Disposals	-	(212)	(227)	-	(97)	-	(536)
Write-off	-	(226)	(15,325)	-	(1,447)	-	(16,998)
Transfer in from right-of-use assets (Note 14)	-	-	-	3,099	-	-	3,099
Transfer in (out)	-	-	13,575	-	-	(13,575)	-
As at 31 December 2021	5,890	148,151	378,471	39,527	71,687	3,384	647,110
Additions	-	1,592	2,748	1,709	873	19,488	26,410
Disposals	-	(291)	(52)	(4,690)	(1,835)	-	(6,868)
Write-off	-	(69)	(13,020)	-	(268)	(515)	(13,872)
Transfer in from right-of-use assets (Note 14)	-	-	-	-	1,896	-	1,896
Transfer in (out)	-	-	14,041	-	-	(14,041)	-
As at 31 December 2022	5,890	149,383	382,188	36,546	72,353	8,316	654,676

(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
Accumulated depreciation:							
As at 1 January 2021	2,385	116,051	301,275	24,403	63,569	-	507,683
Depreciation for the year	290	12,575	32,443	3,883	4,057	-	53,248
Depreciation on disposals	-	(210)	(214)	-	(75)	-	(499)
Depreciation on write-off	-	(221)	(13,883)	-	(1,389)	-	(15,493)
Transfer in from right-of-use assets (Note 14)	-	-	-	2,789	-	-	2,789
As at 31 December 2021	2,675	128,195	319,621	31,075	66,162	-	547,728
Depreciation for the year	290	11,004	25,415	2,267	1,521	-	40,497
Depreciation on disposals	-	(285)	(51)	(3,286)	(1,761)	-	(5,383)
Depreciation on write-off	-	(65)	(11,302)	-	(254)	-	(11,621)
Transfer in from right-of-use assets (Note 14)	-	-	-	-	1,801	-	1,801
As at 31 December 2022	2,965	138,849	333,683	30,056	67,469	-	573,022

(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
Allowance for impairment loss:							
As at 1 January 2021	-	-	-	-	-	-	-
Increase during the year	-	-	1,633	-	-	-	1,633
As at 31 December 2021	-	-	1,633	-	-	-	1,633
Decrease during the year	-	-	(1,616)	-	-	-	(1,616)
As at 31 December 2022	-	-	17	-	-	-	17
Net book value:							
As at 31 December 2021	3,215	19,956	57,217	8,452	5,525	3,384	97,749
As at 31 December 2022	2,925	10,534	48,487	6,490	4,884	8,316	81,636
Depreciation for the year							
2021 (Baht 13 million included in cost of services, and the balance in selling and administrative expenses)							53,248
2022 (Baht 11 million included in cost of services, and the balance in selling and administrative expenses)							40,497

As at 31 December 2022, 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 508 million (2021: Baht 455 million) (Separate financial statements: Baht 476 million (2021: Baht 433 million)).

14. Lease

As a lessee, 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 years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements				
	Land	Building and construction	Computer	Motor vehicles	Total
At 1 January 2021	455	821,803	95	310	822,663
Increase during the year	-	253,918	-	-	253,918
Depreciation for the year	(91)	(262,719)	-	-	(262,810)
Decrease during the year	-	(19,937)	-	-	(19,937)
Transfer out to equipment (Note 13)	-	-	-	(310)	(310)
At 31 December 2021	364	793,065	95	-	793,524
Increase during the year	-	39,349	-	-	39,349
Depreciation for the year	(91)	(249,452)	-	-	(249,543)
Decrease during the year	-	(13,865)	-	-	(13,865)
Transfer out to equipment (Note 13)	-	-	(95)	-	(95)
At 31 December 2022	273	569,097	-	-	569,370

14.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements/ Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
Lease payments	544,267	754,379
Less: Deferred interest expenses	(18,614)	(19,986)
Total	525,653	734,393
Less: Portion due within one year	(211,807)	(233,103)
Lease liabilities - net of current portion	<u>313,846</u>	<u>501,290</u>

Movements in lease liabilities for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements/ Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	734,393	752,125
Add: New lease contracts during the period	24,124	41,794
Change in lease fee estimations	15,047	211,764
Accretion of interest during the year	11,227	10,562
Less: Payments during the year	(202,770)	(178,283)
Termination of the lease due to branch closure		
during the year	(13,670)	(15,617)
Reduction in lease payments by lessors	(42,698)	(87,952)
Balance at end of year	<u>525,653</u>	<u>734,393</u>

A maturity analysis of lease payments is disclosed in Note 27 to the consolidated financial statements under the liquidity risk.

14.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	249,543	262,810
Interest expenses on lease liabilities	11,227	10,562
Expense relating to short-term leases	1,260	1,054

14.4 Other

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 204 million (2021: Baht 179 million) (Separate financial statements: Baht 204 million (2021: Baht 179 million)), including the cash outflow related to short-term leases.

Furthermore, the Company recognised the reduction in lease payments already fell due from the lessors without substantive change to other terms and conditions of the lease in profit or loss for the year ended 31 December 2022 amounting to Baht 43 million (2021: Baht 88 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 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 2022:			
Cost	71,594	8,930	80,524
Less: Accumulated amortisation	(30,788)	(8,471)	(39,259)
Less: Allowance for impairment loss	(14,887)	-	(14,887)
Net book value	<u>25,919</u>	<u>459</u>	<u>26,378</u>
As at 31 December 2021:			
Cost	59,441	8,883	68,324
Less: Accumulated amortisation	(28,070)	(7,698)	(35,768)
Less: Allowance for impairment loss	(14,887)	-	(14,887)
Net book value	<u>16,484</u>	<u>1,185</u>	<u>17,669</u>

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Rights for store operating and sales of	
		goods and services	Total
As at 31 December 2022:			
Cost	69,411	8,930	78,341
Less: Accumulated amortisation	(30,591)	(8,471)	(39,062)
Less: Allowance for impairment loss	(14,887)	-	(14,887)
Net book value	23,933	459	24,392
As at 31 December 2021:			
Cost	56,886	8,883	65,769
Less: Accumulated amortisation	(27,518)	(7,698)	(35,216)
Less: Allowance for impairment loss	(14,887)	-	(14,887)
Net book value	14,481	1,185	15,666

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	17,669	36,080	15,666	35,139
Acquisition of computer software	12,751	569	12,571	270
Transfer in	-	3,560	-	2,663
Amortisation for the year	(4,042)	(6,106)	(3,845)	(5,972)
Write-off - net book value	-	(4,591)	-	(4,591)
Impairment losses recognised	-	(11,843)	-	(11,843)
Net book value at end of year	26,378	17,669	24,392	15,666

16. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deposit for lease and others	105,293	121,126	105,293	121,126
Others	540	616	540	616
Total	105,833	121,742	105,833	121,742

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	-	-	2,400	15,398
Trade payables - unrelated parties	271,612	223,123	271,191	222,486
Other payables	31,680	53,890	28,201	52,217
Accrued expenses	24,448	20,623	19,750	18,488
Others	12,761	2,635	11,076	2,313
Total	340,501	300,271	332,618	310,902

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits at beginning of the year	45,718	39,676	44,866	39,230
Included in profit or loss:				
Current service cost	5,284	5,619	4,860	5,241
Interest cost	1,054	401	1,034	395
Past service costs and loss on settlement	-	22	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	7,637	-	7,637	-
Financial assumptions changes	(3,536)	-	(3,536)	-
Experience adjustments	(7,115)	-	(7,115)	-
Benefits paid during the year	(493)	-	(493)	-
Provision for long-term employee benefits at end of the year	48,549	45,718	47,253	44,866

The Group had not expects to pay long-term employee benefits during the next year (2021: Baht 0.55 million) (Separate financial statements: Nil (2021: Baht 0.55 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 7 years and 9 years (2021: 6 years and 10 years) (Separate financial statements: 7 years (2021: 6 years)).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	1.01 - 2.65	1.01 - 1.73	2.50	1.01
Salary increase rate	6	6	6	6
Turnover rate	0 - 41	0 - 42	0 - 41	0 - 42

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)							
	31 December 2022							
	Consolidated				Separate			
	financial statements				financial statements			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
Discount rate	Decrease	2,526	Increase	2,926	Decrease	2,428	Increase	2,814
Salary increase rate	Increase	2,937	Decrease	2,586	Increase	2,821	Decrease	2,482
Turnover rate	Decrease	2,756	Increase	2,148	Decrease	2,647	Increase	2,075

	(Unit: Thousand Baht)							
	31 December 2021							
	Consolidated				Separate			
	financial statements				financial statements			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
Discount rate	Decrease	2,078	Increase	2,419	Decrease	2,007	Increase	2,338
Salary increase rate	Increase	2,834	Decrease	2,502	Increase	2,749	Decrease	2,426
Turnover rate	Decrease	2,316	Increase	1,850	Decrease	2,236	Increase	1,794

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from sales				
supporting promotion	53,513	36,148	41,703	33,629
Reversal of allowance for				
credit loss (note 8)	8,973	-	9,487	-
Others	13,194	8,279	16,167	9,039
Total	<u>75,680</u>	<u>44,427</u>	<u>67,357</u>	<u>42,668</u>

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Purchase of finished goods	2,286,649	1,318,843	2,280,957	1,303,153
Depreciation and amortisation	297,312	326,067	296,885	322,031
Salary and wages and other employee				
benefits	193,021	185,100	179,765	173,513
Related selling expenses, advertising and				
sales promotions	105,471	77,809	103,304	73,107
Changes in finished goods	45,611	335,082	46,668	345,804

22. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	7,928	350	24	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>2,871</u>	<u>(8,777)</u>	<u>6,750</u>	<u>(8,777)</u>
Income tax (income) expense reported in profit or loss	<u>10,799</u>	<u>(8,427)</u>	<u>6,774</u>	<u>(8,777)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gain	<u>(602)</u>	<u>-</u>	<u>(602)</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	109,913	(112,433)	86,007	(104,929)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	21,983	(22,486)	17,201	(20,986)
Deferred tax assets which were not recognised during the year	193	12,496	-	11,464
Utilisation of previously unrecognised tax losses	(11,528)	(13)	(11,465)	-
Effects of:				
Non-deductible expenses	773	1,451	750	1,433
Additional expense deductions allowed	(38)	(1,041)	(38)	(908)
Others	(584)	1,166	326	202
Total	151	1,576	1,038	745
Income tax (income) expenses reported in profit or loss	10,799	(8,427)	6,774	(8,777)

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for diminution in value of inventories	43,520	49,634	43,520	49,634
Suppliers' discounts	1,368	2,855	1,368	2,855
Provision for long-term employee benefits	9,451	8,973	9,451	8,973
Allowance for expected credit losses	598	2,496	598	2,496
Allowance for impairment in assets	2,981	3,304	2,981	3,304
Contract liabilities	193	13	193	13
Leases	3,630	1,818	3,630	1,818
Gain on sale of inventories among related parties	3,879	-	-	-
Total	64,620	69,093	61,741	69,093

As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 16 million (2021: Baht 74 million) (Separate financial statements: Nil (2021: Baht 57 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		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
31 December 2024	2,304	2,304	-	-
31 December 2025	6,479	6,479	-	-
31 December 2026	4,752	62,073	-	57,322
	<u>13,535</u>	<u>70,856</u>	<u>-</u>	<u>57,322</u>

23. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the year (Thousand Baht)	99,114	(104,006)	79,233	(96,152)
Weighted average number of ordinary shares (Million shares)	3,529	3,529	3,529	3,529
Basic profit (loss) per share (Baht per share)	0.029	(0.029)	0.022	(0.027)

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 3.0 - 4.5 percent of basic salary. The fund, which is managed by Eastspring Asset Management (Thailand) Company Limited (Formerly known as “Thanachart Fund Management Company Limited”), will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 4.1 million (2021: Baht 3.9 million) (Separate financial statements: Baht 3.8 million (2021: Baht 3.7 million)) were recognised as expenses.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of approximately Baht 12 million (2021: Baht 6 million) (Separate financial statements: Baht 11 million (2021: Baht 5 million)), relating to the purchase of equipment and installation of computer software.

26.2 Guarantees

As at 31 December 2022, the Company had outstanding bank guarantees of approximately Baht 62 million (2021: Baht 47 million) issued by banks on behalf of the Company as required in the normal course of business.

26.3 Litigation

In November 2019, the Company received a writ of summons because it was a guarantor under the overdraft agreement of a former subsidiary the Company had acquired through a reverse acquisition in 2014. This subsidiary had defaulted on payment of its loan to the bank. As a result, the Company, as the guarantor, was sued by the bank and was demanded to settle the principal and interest thereon totaling Baht 9.7 million. However, the legal advisor and the management believe that the Company has no obligations in respect of the guarantee because the obligation arising from this guarantee was included in the rehabilitation process of that business, and the bank opted to receive the loan payment from this subsidiary. Subsequently, the subsidiary completed the business rehabilitation plan, and the Central Bankruptcy Court ordered the cancellation of the business rehabilitation plan as requested before the Company proceeded with the business combination under the reverse acquisition. Furthermore, on 25 December 2020, the Court of First Instance considered the case and dismissed the case. On 23 November 2021, the Court of Appeal upheld the judgment of the Court of First Instance but did not preclude the right to file a suit with the Central Bankruptcy Court. In October 2022, the Supreme Court received the bank's petition and the Company's answer brief. Currently, the case is under the consideration of the Supreme Court. However, after careful consideration, the management of the Company believes that it will not incur any losses, and therefore, no provision has been recorded in its accounts.

27. Financial instruments

27.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans, investments and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, short-term loans, deposits with banks and other financial instruments, the maximum exposure to credit risk is limited to the carryings amounts as stated in the statements of financial position.

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 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 considers itself no foreign currency risk because it has no financial assets and liabilities denominated in foreign currencies outstanding as at the year-ended date.

Interest rate risk

The exposure to interest rate risk of the Group relates primarily to its cash at banks and financial institutions, short-term loans, and lease liabilities. 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 2022 and 2021, 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 2022

	Fixed interest rates					Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest Bearing		
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	247	7	254	0.15 - 0.50
Trade and other receivables	-	-	-	-	89	89	-
Other current financial assets	507	-	-	-	-	507	1.05 - 1.35
Restricted bank deposits	120	-	-	-	-	120	0.20 - 1.35
	<u>627</u>	<u>-</u>	<u>-</u>	<u>247</u>	<u>96</u>	<u>970</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	341	341	-
Lease liabilities	212	310	4	-	-	526	0.5 - 3.5
	<u>212</u>	<u>310</u>	<u>4</u>	<u>-</u>	<u>341</u>	<u>867</u>	

(Unit: Million Baht)

Consolidated financial statement

As at 31 December 2021

	Fixed interest rates					Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest Bearing		
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	382	10	392	0.1 - 0.4
Trade and other receivables	-	-	-	-	62	62	-
Other current financial assets	301	-	-	-	-	301	1.05 - 1.35
Restricted bank deposits	120	-	-	-	-	120	0.2 - 1.3
	<u>421</u>	<u>-</u>	<u>-</u>	<u>382</u>	<u>72</u>	<u>875</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	300	300	-
Lease liabilities	233	469	32	-	-	734	0.5 - 2.3
	<u>233</u>	<u>469</u>	<u>32</u>	<u>-</u>	<u>300</u>	<u>1,034</u>	

(Unit: Million Baht)

Separate financial statement

As at 31 December 2022

	Fixed interest rates					Total	Effective interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest Bearing		
Financial Assets							
Cash and cash equivalent	-	-	-	212	7	216	0.15 - 0.50
Trade and other receivables	-	-	-	-	103	103	-
Other current financial assets	507	-	-	-	-	507	1.05 - 1.35
Restricted bank deposits	120	-	-	-	-	120	0.20 - 1.35
	<u>627</u>	<u>-</u>	<u>-</u>	<u>212</u>	<u>110</u>	<u>946</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	333	333	-
Lease liabilities	212	310	4	-	-	526	0.5 - 3.5
	<u>212</u>	<u>310</u>	<u>4</u>	<u>-</u>	<u>333</u>	<u>859</u>	

(Unit: Million Baht)

Separate financial statement

As at 31 December 2021

	Fixed interest rates					Total	Effective interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest Bearing		
Financial Assets							
Cash and cash equivalent	-	-	-	364	10	374	0.1 - 0.4
Trade and other receivables	-	-	-	-	52	52	-
Short-term loans to related party	35	-	-	-	-	35	1.2
Other current financial assets	301	-	-	-	-	301	1.05 - 1.35
Restricted bank deposits	120	-	-	-	-	120	0.2 - 1.3
	<u>456</u>	<u>-</u>	<u>-</u>	<u>364</u>	<u>62</u>	<u>882</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	311	311	-
Lease liabilities	233	469	32	-	-	734	0.5 - 2.3
	<u>233</u>	<u>469</u>	<u>32</u>	<u>-</u>	<u>311</u>	<u>1,045</u>	

The Group has interest rate risk to cash at banks and fixed deposit receipt (FDR) because interest rates received 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	341	-	-	341
Lease liabilities	221	319	4	544
Total	562	319	4	885

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	300	-	-	300
Lease liabilities	241	481	32	754
Total	541	481	32	1,054

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	333	-	-	333
Lease liabilities	221	319	4	544
Total	554	319	4	877

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	311	-	-	311
Lease liabilities	241	481	32	754
Total	552	481	32	1,065

27.2 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.

28. 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 2022, the Group's debt-to-equity ratio was 0.55:1 (2021: 0.68:1) and the Company's was 0.54:1 (2021: 0.68:1).

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2023.