

Big Camera Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2023

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 2022, with no change in the composition of the Group during the current period.

1.3 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

(Unaudited but reviewed)

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				Transfer pricing policy
	30 June				
	Consolidated financial statements		Separate financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with subsidiaries</u>					
(eliminated for the consolidated financial statements)					
Hire of work	-	-	1,750	1,236	Contract prices
Purchases of goods	-	-	101,135	65,798	Mutual agree prices
Sales of goods	-	-	52	145	Mutual agree prices
Repair fee paid	-	-	686	522	Mutual agree prices
Rental income	-	-	-	139	Contract prices
Management income	-	-	2,599	645	Contract prices
Revenue from sales					
supporting promotion	-	-	6,792	1,810	Contract prices
Trade discount	-	-	1,661	-	Contract prices
Interest income	-	-	687	106	5.505% per annum (2022: 1.21% per annum)
Repair fee income	-	-	15	-	Mutual agree prices
<u>Transactions with related parties</u>					
Rental fee paid	1,051	1,013	1,051	1,013	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	1,041	827	874	827	Contract prices

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended				Transfer pricing policy
	30 June				
	Consolidated financial statements		Separate financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with subsidiaries</u>					
(eliminated for the consolidated financial statements)					
Hire of work	-	-	3,972	2,606	Contract prices
Purchases of goods	-	-	239,175	116,467	Mutual agree prices
Sales of goods	-	-	137	295	Mutual agree prices
Repair fee paid	-	-	1,222	1,051	Mutual agree prices
Rental income	-	-	-	279	Contract prices
Management income	-	-	4,655	1,288	Contract prices
Revenue from sales					
supporting promotion	-	-	8,396	2,608	Contract prices
Trade discount	-	-	2,898	-	Contract prices
Interest income	-	-	845	210	5.505% per annum (2022: 1.21% per annum)
Repair fee income	-	-	25	-	Mutual agree prices
<u>Transactions with related parties</u>					
Rental fee paid	2,101	2,026	2,101	2,026	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	2,083	1,658	1,748	1,658	Contract prices

(Unaudited but reviewed)

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	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade and other receivables - subsidiaries (Note 3)</u>				
Trade receivables	-	-	56	-
Other receivables	-	-	1,561	605
Accrued revenue	-	-	6,588	1,183
Advance payments for goods	-	-	-	40,220
Total	-	-	8,205	42,008
<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 payables - related parties (Note 9)</u>				
Trade payables - subsidiaries	-	-	27,039	2,400
Other payable - related party				
(related by common shareholders)	17	-	17	-
Other payables - shareholders and				
directors	82	-	26	-
Total	99	-	27,082	2,400
<u>Long-term loan to subsidiary</u>				

During the period, 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 be repaid in March 2026.

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	9,379	9,065	18,713	18,132
Post-employment benefits	599	550	1,198	1,099
Total	<u>9,978</u>	<u>9,615</u>	<u>19,911</u>	<u>19,231</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivable - related party (Note 2)	-	-	56	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	7,325	19,033	6,457	10,530
Past due				
Up to 3 months	5,513	7,538	3,290	6,520
3 - 6 months	-	3	-	3
Total trade receivables	<u>12,838</u>	<u>26,574</u>	<u>9,803</u>	<u>17,053</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	-	-	1,561	605
Other receivables - unrelated parties	682	771	682	771
Prepaid expenses	5,922	6,150	5,431	5,557
Accrued revenue from sales supporting promotion	32,535	41,468	31,154	38,959
Accrued revenue - related party (Note 2)	-	-	6,588	1,183
Interest receivables	361	27	361	27
Advance payments for goods - related party (Note 2)	-	-	-	40,220
Advance payments for goods - unrelated parties	14,482	15,852	-	-
Others	3,622	2,052	3,469	1,401
Total other receivables	57,604	66,320	49,246	88,723
Less: Allowance for expected credit loss	(2,724)	(3,505)	(2,724)	(2,991)
Total other receivables, net	54,880	62,815	46,522	85,732
Total trade and other receivables, net	67,718	89,389	56,325	102,785

4. Reduction of cost to net realisable value of inventories

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2023	217,601
Less: Reversal of reduction cost to net realisable value of inventories during the period	(15,714)
Balance as at 30 June 2023	201,887

(Unaudited but reviewed)

5. Other current financial assets

The balances represent fixed deposit receipt (FDR) which carries interest rate between 1.35 and 1.60 percent per annum (31 December 2022: between 1.05 and 1.35 percent per annum).

6. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	96,430	81,637
Acquisitions during the period, at cost	17,452	11,936
Disposal/written-off during the period, net book value at disposal/written-off date	(708)	(666)
Depreciation for the period	(18,128)	(16,745)
Reversal of allowance for impairment	17	17
Net book value as at 30 June 2023	<u>95,063</u>	<u>76,179</u>

7. Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2023	569,371
Add: New lease contracts during the period	6,136
Change in lease fee estimation	18,044
Less: Depreciation for the period	(124,895)
Contracts termination due to branch closures during the period	(2,687)
Change in provision for decommissioning costs	(76)
Balance as at 30 June 2023	<u>465,893</u>

(Unaudited but reviewed)

8. Other non-current assets

(Unit: Thousand Baht)

Consolidated financial
statements/ Separate
financial statements

	30 June 2023	31 December 2022
		(Audited)
Deposit for lease and others	108,836	105,293
Others	502	540
Total	<u>109,338</u>	<u>105,833</u>

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	-	-	27,039	2,400
Trade payables - unrelated parties	279,303	271,612	278,432	271,191
Other payables - related parties (Note 2)	99	-	43	-
Other payables - unrelated parties	30,505	31,680	27,709	28,201
Accrued expenses	20,584	24,448	17,159	19,750
Others	4,617	12,761	3,650	11,076
Total	<u>335,108</u>	<u>340,501</u>	<u>354,032</u>	<u>332,618</u>

(Unaudited but reviewed)

10. Lease liabilities

Lease liabilities as at 30 June 2023 are presented below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Lease payments	438,107
Less: Deferred interest expenses	(9,590)
Total	428,517
Less: Portion due within one year	(219,945)
Lease liabilities - net of current portion	<u>208,572</u>

Movements in lease liabilities during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2023	525,653
Add: New lease contracts during the period	6,136
Accretion of interest during the period	4,790
Change in lease fee estimations	18,044
Less: Payments during the period	(116,412)
Contracts termination due to branch closures during the period	(2,759)
Reduction in lease payments by lessors	(6,935)
Balance as at 30 June 2023	<u>428,517</u>

(Unaudited but reviewed)

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.

Tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	1,302	776	278	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,297	5,320	1,527	5,320
Income tax expenses reported in the statement of comprehensive income	<u>4,599</u>	<u>6,096</u>	<u>1,805</u>	<u>5,320</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	8,791	1,927	4,798	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,294	7,051	2,386	7,051
Income tax expenses reported in the statement of comprehensive income	<u>10,085</u>	<u>8,978</u>	<u>7,184</u>	<u>7,051</u>

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. Dividends

Dividends declared during the six-month period ended 30 June 2023 consisted 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		70,577	0.02

14. Commitments and contingent liabilities**14.1 Capital commitments**

As at 30 June 2023, the Group had capital commitments of approximately Baht 11 million (31 December 2022: Baht 12 million) (Separate financial statements: Baht 9 million (31 December 2022: Baht 11 million)), relating to the purchase of equipment and installation of computer software.

14.2 Guarantees

As at 30 June 2023, the Company had outstanding bank guarantees of approximately Baht 62 million (31 December 2022: Baht 62 million) issued by banks on behalf of the Company as required in the normal course of business.

14.3 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.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2023.