

Big Camera Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 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.

1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. 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.

The management of the Group believes that adoption of these amendments will 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.

	For the three-month periods ended 30 September				(Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<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	-	-	2,419	2,667	Contract prices
Purchases of goods	-	-	126,420	97,439	Mutual agree prices
Sales of goods	-	-	308	24	Mutual agree prices
Repair fee paid	-	-	636	589	Mutual agree prices
Rental income	-	-	-	140	Contract prices
Management income	-	-	2,762	682	Contract prices
Revenue from sales supporting promotion	-	-	2,641	2,380	Contract prices
Trade discount	-	-	605	-	Contract prices
Interest income	-	-	693	107	5.505% per annum (2022: 1.21% per annum)
Repair fee income	-	-	11	-	Mutual agree prices

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with related parties</u>					
Rental fee paid	1,297	1,013	1,050	1,013	Contract prices
Utilities	35	-	-	-	Mutual agree prices

**Transactions with shareholders
and director**

Rental fee paid	1,042	829	875	829	Contract prices
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(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<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	-	-	6,391	5,522	Contract prices
Purchases of goods	-	-	365,595	213,906	Mutual agree prices
Sales of goods	-	-	445	319	Mutual agree prices
Repair fee paid	-	-	1,858	1,640	Mutual agree prices
Rental income	-	-	-	419	Contract prices
Management income	-	-	7,417	1,970	Contract prices
Revenue from sales supporting promotion	-	-	11,037	4,988	Contract prices
Trade discount	-	-	3,503	-	Contract prices
Interest income	-	-	1,538	317	5.505% per annum (2022: 1.21% per annum)
Repair fee income	-	-	36	-	Mutual agree prices

Transactions with related parties

Rental fee paid	3,398	3,039	3,151	3,039	Contract prices
Utilities	35	-	-	-	Mutual agree prices

**Transactions with shareholders
and director**

Rental fee paid	3,125	2,487	2,623	2,487	Contract prices
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The balances of the accounts between the Group and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade and other receivables - subsidiaries (Note 3)</u>				
Trade receivables	-	-	270	-
Other receivables	-	-	2,047	605
Accrued revenue	-	-	2,227	1,183
Advance payments for goods	-	-	-	40,220
Total	-	-	4,544	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	-	-	37,438	2,400
Other payable - related party (related by common shareholders)	22	-	-	-
Other payables - shareholders and directors	56	-	-	-
Total	78	-	37,438	2,400
<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.

Directors and management's benefits

(Unit: Thousand Baht)				
	Consolidated financial statements/ Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	9,519	9,159	28,232	27,291
Post-employment benefits	599	572	1,797	1,671
Total	<u>10,118</u>	<u>9,731</u>	<u>30,029</u>	<u>28,962</u>

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivable - related party (Note 2)	-	-	270	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	16,031	19,033	14,558	10,530
Past due				
Up to 3 months	5,741	7,538	5,397	6,520
3 - 6 months	-	3	-	3
Total trade receivables	<u>21,772</u>	<u>26,574</u>	<u>20,225</u>	<u>17,053</u>

(Unaudited but reviewed)

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	-	-	2,047	605
Other receivables - unrelated parties	682	771	682	771
Prepaid expenses	7,035	6,150	6,087	5,557
Accrued revenue from sales supporting promotion	49,367	41,468	45,089	38,959
Accrued revenue - related party				
(Note 2)	-	-	2,227	1,183
Interest receivables	594	27	592	27
Advance payments for goods - related party (Note 2)	-	-	-	40,220
Advance payments for goods - unrelated parties	39,538	15,852	6,294	-
Others	2,779	2,052	2,690	1,401
Total other receivables	99,995	66,320	65,708	88,723
Less: Allowance for expected credit loss	(2,724)	(3,505)	(2,724)	(2,991)
Total other receivables, net	97,271	62,815	62,984	85,732
Total trade and other receivables, net	119,043	89,389	83,209	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	(14,744)
Balance as at 30 September 2023	202,857

5. Other current financial assets

The balances represent fixed deposit receipt (FDR) which carries interest rate between 1.35 and 2.50 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	24,226	16,851
Disposal/written-off during the period, net book value at disposal/written-off date	(1,329)	(1,287)
Depreciation for the period	(26,312)	(24,055)
Reversal of allowance for impairment	17	17
Net book value as at 30 September 2023	93,032	73,163

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	28,506	
Change in lease fee estimation	12,201	
Less: Depreciation for the period	8	
Contracts termination due to branch closures during the period	(187,147)	
Change in provision for decommissioning costs	(4,142)	
Balance as at 30 September 2023	418,797	

8. Other non-current assets

	(Unit: Thousand Baht)	
	Consolidated financial	
	statements/ Separate	
	financial statements	
	30 September	31 December
	2023	2022
		(Audited)
Deposit for lease and others	111,626	105,293
Others	483	540
Total	112,109	105,833

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Trade payables - related parties				
(Note 2)	-	-	37,438	2,400
Trade payables - unrelated parties	350,921	271,612	350,258	271,191
Other payables - related parties				
(Note 2)	78	-	-	-
Other payables - unrelated parties	34,170	31,680	30,748	28,201
Accrued expenses	20,435	24,448	16,353	19,750
Others	3,781	12,761	2,856	11,076
Total	409,385	340,501	437,653	332,618

10. Lease liabilities

Lease liabilities as at 30 September 2023 are presented below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Lease payments	390,370
Less: Deferred interest expenses	(7,474)
Total	382,896
Less: Portion due within one year	(210,277)
Lease liabilities - net of current portion	172,619

Movements in lease liabilities during the nine-month period ended 30 September 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	28,506
Accretion of interest	6,594
Change in lease fee estimations	12,201
Less: Payments	(176,468)
Contracts termination due to branch closures	(4,322)
Reduction in lease payments by lessors	(9,268)
Balance as at 30 September 2023	382,896

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 (income) expenses for the three-month and nine-month periods ended 30 September 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	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	3,433	906	1,239	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(1,098)</u>	<u>(241)</u>	<u>(804)</u>	<u>(241)</u>
Income tax (income) expenses reported in profit or loss	<u>2,335</u>	<u>665</u>	<u>435</u>	<u>(241)</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	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	12,224	2,833	6,037	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>196</u>	<u>6,810</u>	<u>1,582</u>	<u>6,810</u>
Income tax expenses reported in profit or loss	<u>12,420</u>	<u>9,643</u>	<u>7,619</u>	<u>6,810</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 nine-month period ended 30 September 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 September 2023, the Group had capital commitments of approximately Baht 8 million (31 December 2022: Baht 12 million) (Separate financial statements: Baht 6 million (31 December 2022: Baht 11 million)), relating to the purchase of equipment and installation of computer software.

14.2 Guarantees

As at 30 September 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 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.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2023.