

SAAM Energy Development Public Company Limited  
and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of SAAM Energy Development Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of SAAM Energy Development Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of SAAM Energy Development Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting.

**Emphasis of matter**

I draw attention to Note 3 to the financial statements, cumulative impact of prior year adjustment, related to adjust land rental method in accordance with TAS 17 (revised 2017) Lease. Thus, the Group company therefore retrospectively adjust the consolidated and separated statement of financial position as at 31 December 2017, the related consolidated and separated statements of income for the three-month and nine-month periods ended 30 September 2017, presented herein for comparative purpose and to present the consolidated and separated statement of financial position as at 1 January 2017, in order to appropriately reflect the adjustment transaction. My conclusion is not qualified in respect of this matter.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 12 November 2018

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 September 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>			
	30 September	31 December	1 January	30 September	31 December	1 January	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)		
		but reviewed)	(Restated)	but reviewed)	(Restated)		
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		37,932	27,673	20,089	6,537	4,752	1,996
Trade and other receivables	5	9,080	8,758	14,895	3,796	2,887	1,319
Project in progress		10,840	695	-	-	-	-
Current portion of prepaid land rental expense		96	96	96	-	-	-
Short-term loans to related parties	4	-	-	5,500	32,736	12,314	3,850
Other current assets		5,226	4,774	1,141	1,334	834	391
<b>Total current assets</b>		<b>63,174</b>	<b>41,996</b>	<b>41,721</b>	<b>44,403</b>	<b>20,787</b>	<b>7,556</b>
<b>Non-current assets</b>							
Investments in subsidiaries	6	-	-	-	116,964	116,964	116,498
Prepaid land rental expense - net of							
current portion		8,235	8,307	8,403	-	-	-
Investment properties	7	82,495	82,495	82,495	-	-	-
Property, plant and equipment	8	133,576	137,451	140,671	2,899	3,168	899
Intangible assets	9	88	82	35	82	82	35
Deposit of purchase land and equipment	16.1	26,099	26,932	27,124	-	-	-
Deferred tax assets		1,131	507	565	1,073	453	157
Other non-current assets		4,635	4,715	10,672	1,661	1,661	1,295
<b>Total non-current assets</b>		<b>256,259</b>	<b>260,489</b>	<b>269,965</b>	<b>122,679</b>	<b>122,328</b>	<b>118,884</b>
<b>Total assets</b>		<b>319,433</b>	<b>302,485</b>	<b>311,686</b>	<b>167,082</b>	<b>143,115</b>	<b>126,440</b>

The accompanying notes are an integral part of these financial statements

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>			
	30 September	31 December	1 January	30 September	31 December	1 January	
	Note	2018	2017	2017	2018	2017	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)		
		but reviewed)	(Restated)	but reviewed)	(Restated)		
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Trade and other payables	10	5,395	4,748	4,604	2,724	887	1,682
Short-term loans from related parties	4	-	-	7,225	9,000	6,000	-
Current portion of long-term loans from related party	4	-	-	-	4,080	-	-
Current portion of long-term loans from financial institutions	11	20,625	16,055	13,351	-	-	-
Income tax payable		671	1,268	870	-	-	-
Other current liabilities		580	556	1,406	175	165	798
<b>Total current liabilities</b>		<b>27,271</b>	<b>22,627</b>	<b>27,456</b>	<b>15,979</b>	<b>7,052</b>	<b>2,480</b>
<b>Non-current liabilities</b>							
Long-term loan from related party							
- net of current portion	4	-	-	-	11,650	-	-
Long-term loans from financial institutions							
- net of current portion	11	115,711	116,650	135,338	-	-	-
Provision for long-term employee benefits		1,162	1,011	1,024	781	649	783
Other non-current liabilities - rental payable		1,938	1,850	1,741	716	689	657
<b>Total non-current liabilities</b>		<b>118,811</b>	<b>119,511</b>	<b>138,103</b>	<b>13,147</b>	<b>1,338</b>	<b>1,440</b>
<b>Total liabilities</b>		<b>146,082</b>	<b>142,138</b>	<b>165,559</b>	<b>29,126</b>	<b>8,390</b>	<b>3,920</b>

The accompanying notes are an integral part of these financial statements

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	30 September	31 December	1 January	30 September	31 December	1 January
	Note	2018	2017	2018	2017	2017
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	
<b>Liabilities and shareholders' equity</b>						
<b>(continued)</b>						
<b>Shareholders' equity</b>						
Share capital	12					
Registered						
300,000,000 ordinary shares of Baht 0.50 each (31 December 2017: 1,100,000 ordinary shares of Baht 100 each)		150,000	110,000	150,000	110,000	110,000
Issued and fully paid up						
220,000,000 ordinary shares of Baht 0.50 each (31 December 2017: 1,100,000 ordinary shares of Baht 100 each)		110,000	110,000	110,000	110,000	110,000
Deficit on business combination under common control		(689)	(689)	-	-	-
Retained earnings						
Appropriated - statutory reserve		818	818	818	818	625
Unappropriated		64,316	50,678	27,138	23,907	11,895
Other components of shareholders' equity		(1,007)	(408)	-	-	-
Equity attributable to owners of the Company		173,438	160,399	137,956	134,725	122,520
Non-controlling interests of the subsidiaries		(87)	(52)	-	-	-
<b>Total shareholders' equity</b>		<b>173,351</b>	<b>160,347</b>	<b>137,956</b>	<b>134,725</b>	<b>122,520</b>
<b>Total liabilities and shareholders' equity</b>		<b>319,433</b>	<b>302,485</b>	<b>167,082</b>	<b>143,115</b>	<b>126,440</b>
		-	-	-	-	-

The accompanying notes are an integral part of these financial statements

Directors

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of income**

**For the three-month period ended 30 September 2018**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		(Restated)
<b>Revenues</b>				
Sales	4,008	4,238	-	-
Service and rental income	13,730	13,730	3,593	1,331
Other income	41	356	2,427	4,008
<b>Total revenues</b>	<b>17,779</b>	<b>18,324</b>	<b>6,020</b>	<b>5,339</b>
<b>Expenses</b>				
Cost of sales	1,544	1,522	-	-
Cost of service and rental	3,406	3,139	873	1,070
Selling and service expenses	56	47	56	48
Administrative expenses	7,995	5,627	7,696	4,512
Other expenses	1,130	-	-	-
<b>Total expenses</b>	<b>14,131</b>	<b>10,335</b>	<b>8,625</b>	<b>5,630</b>
<b>Profit (loss) before finance cost and income tax expenses</b>				
Finance cost	(1,438)	(1,378)	(233)	(18)
<b>Profit (loss) before income tax expenses</b>	<b>2,210</b>	<b>6,611</b>	<b>(2,838)</b>	<b>(309)</b>
Income tax (expenses) income	(574)	(971)	580	7
<b>Profit (loss) for the period</b>	<b>1,636</b>	<b>5,640</b>	<b>(2,258)</b>	<b>(302)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	1,661	5,652	(2,258)	(302)
Non-controlling interests of the subsidiaries	(25)	(12)		
	<b>1,636</b>	<b>5,640</b>		
<b>Basic earnings (loss) per share (Baht)</b>				
Profit (loss) attributable to equity holders of the Company	0.008	0.026	(0.010)	(0.001)
Weighted average number of ordinary shares (Thousand shares)	220,000	220,000	220,000	220,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		(Restated)
<b>Profit (loss) for the period</b>	<u>1,636</u>	<u>5,640</u>	<u>(2,258)</u>	<u>(302)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(1,111)</u>	<u>(297)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(1,111)</u>	<u>(297)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(1,111)</u>	<u>(297)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (loss) for the period</b>	<u>525</u>	<u>5,343</u>	<u>(2,258)</u>	<u>(302)</u>
<b>Total comprehensive income (loss) attributable to:</b>				
Equity holders of the Company	550	5,355	<u>(2,258)</u>	<u>(302)</u>
Non-controlling interests of the subsidiaries	<u>(25)</u>	<u>(12)</u>		
	<u>525</u>	<u>5,343</u>		

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries****Statement of income (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<u>Note</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
<b>Revenues</b>				
Sales	12,686	13,591	-	-
Service and rental income	41,192	41,192	8,074	6,187
Dividend income from subsidiaries	6	-	5,649	12,248
Other income	148	966	7,248	7,221
<b>Total revenues</b>	<b>54,026</b>	<b>55,749</b>	<b>20,971</b>	<b>25,656</b>
<b>Expenses</b>				
Cost of sales	4,565	5,429	-	-
Cost of service and rental	9,833	9,696	2,779	2,259
Selling and service expenses	363	128	165	128
Administrative expenses	17,656	16,574	14,957	11,949
Other expenses	1,130	-	-	-
<b>Total expenses</b>	<b>33,547</b>	<b>31,827</b>	<b>17,901</b>	<b>14,336</b>
<b>Profit before finance cost and income tax expenses</b>				
Finance cost	(4,335)	(4,369)	(459)	(66)
<b>Profit before income tax expenses</b>	<b>16,144</b>	<b>19,553</b>	<b>2,611</b>	<b>11,254</b>
Income tax (expenses) income	13	(2,866)	620	21
<b>Profit for the period</b>	<b>13,604</b>	<b>16,687</b>	<b>3,231</b>	<b>11,275</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	13,638	16,699	3,231	11,275
Non-controlling interests of the subsidiaries	(34)	(12)		
	<b>13,604</b>	<b>16,687</b>		
<b>Basic earnings per share (Baht)</b>				
Profit attributable to equity holders of the Company	14	0.076	0.015	0.051
Weighted average number of ordinary shares (Thousand shares)	220,000	220,000	220,000	220,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		(Restated)
<b>Profit for the period</b>	<u>13,604</u>	<u>16,687</u>	<u>3,231</u>	<u>11,275</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(599)</u>	<u>(350)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(599)</u>	<u>(350)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(599)</u>	<u>(350)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>13,005</u>	<u>16,337</u>	<u>3,231</u>	<u>11,275</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	13,039	16,349	<u>3,231</u>	<u>11,275</u>
Non-controlling interests of the subsidiaries	<u>(34)</u>	<u>(12)</u>		
	<u>13,005</u>	<u>16,337</u>		

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries****Statement of cash flows****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
<b>Cash flows from operating activities</b>					
Profit before tax		16,144	19,553	2,611	11,254
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities:					
Unrealised loss on exchange rate		280	1,869	1,065	541
Amortisation of prepaid land rental expense		72	72	-	-
Depreciation and amortisation	8, 9	3,965	4,222	329	196
Write-off equipment	8	24	-	24	-
Write-off deposit for the interest purchase	6.2	708	-	-	-
Write-off withholding tax at source		3	-	-	-
Write-off project in progress		422	-	-	-
Increase in provision for long-term employee benefits		151	117	132	103
Dividend income	6	-	-	(5,649)	(12,248)
Interest income		(52)	(78)	(245)	(61)
Interest expenses		4,014	4,297	409	27
Profit (loss) from operating activities before changes in operating assets and liabilities		25,731	30,052	(1,324)	(188)
Operating assets (increase) decrease					
Trade and other receivables		(322)	(3,951)	(741)	(5,204)
Project in progress		(10,567)	39	-	-
Other current assets		(45)	(25)	(91)	13
Other non-current assets		80	6,110	-	(366)
Operating liabilities increase (decrease)					
Trade and other payables		584	19	1,731	297
Other current liabilities		24	(805)	10	(635)
Other non-current liabilities		88	92	27	22
Cash flows from (used in) operating activities		15,573	31,531	(388)	(6,061)
Cash received from interest income		52	218	73	107
Cash paid for interest expenses		(4,029)	(4,520)	(302)	(17)
Cash received from value added tax refundable		-	6,629	-	-
Cash paid for income tax		(4,171)	(3,517)	(409)	(364)
<b>Net cash flows from (used in) operating activities</b>		<b>7,425</b>	<b>30,341</b>	<b>(1,026)</b>	<b>(6,335)</b>

The accompanying notes are an integral part of these financial statements

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries****Statement of cash flows (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
<b>Cash flows from investing activities</b>					
Cash paid for acquisition of equipment and intangible assets	8, 9	(120)	(2,398)	(84)	(2,567)
Cash paid for deposit of land		(1,456)	-	-	-
Cash received from deposit of land refundable		2,087	-	-	-
Cash paid for deposit for the interest purchase	6.2	(708)	-	-	-
Cash received from settlement of short-term loans to related parties	4	-	5,500	2,800	1,550
Cash paid to provide short-term loans to related parties	4	-	-	(24,284)	(9,435)
Dividend received from subsidiaries	6	-	-	5,649	12,248
Net cash inflow from additional purchase of investment in subsidiaries		-	6	-	-
Increase in non-controlling interests from established new companies		-	6	-	-
<b>Net cash flows from (used in) investing activities</b>		<u>(197)</u>	<u>3,114</u>	<u>(15,919)</u>	<u>1,796</u>
<b>Cash flows from financing activities</b>					
Cash received from short-term loans from related parties	4	-	-	10,500	11,999
Cash paid to settle short-term loans from related parties	4	-	(7,225)	(7,500)	(2,500)
Cash received from long-term loans from related parties	4	-	-	17,430	-
Cash paid to settle long-term loans from related parties	4	-	-	(1,700)	-
Cash received from long-term loans from financial institutions	11	17,430	-	-	-
Cash paid to settle long-term loans from financial institutions	11	(13,799)	(12,181)	-	-
Decrease in non-controlling interest of the subsidiaries from dividend payment		(1)	(1)	-	-
<b>Net cash flows from (used in) financing activities</b>		<u>3,630</u>	<u>(19,407)</u>	<u>18,730</u>	<u>9,499</u>
Decrease in translation adjustments		(599)	(350)	-	-
<b>Net increase in cash and cash equivalents</b>		<u>10,259</u>	<u>13,698</u>	<u>1,785</u>	<u>4,960</u>
Cash and cash equivalents at beginning of period		<u>27,673</u>	<u>20,089</u>	<u>4,752</u>	<u>1,996</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>37,932</u></u>	<u><u>33,787</u></u>	<u><u>6,537</u></u>	<u><u>6,956</u></u>

**Supplement disclosures of cash flows information**

## Non-cash items

Share payable increase from purchase of investment in subsidiary	-	-	-	466
Net cash outflows will pay to purchase of investment in subsidiary	-	345	-	-

The accompanying notes are an integral part of these financial statements

(Unaudited but reviewed)

## SAAM Energy Development Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>								
Equity attributable to owners of the Company								
	Issued and paid up share capital		Retained earnings		Exchange on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	share capital	Deficit on business combination under common control	Appropriated - statutory reserve	Unappropriated	of financial statements in foreign currency	the Company	the subsidiaries	equity
<b>Balance as at 31 December 2016</b>								
- as previously reported	110,000	-	625	37,239	-	147,864	4	147,868
Effects of adjustments of prior years (Note 3)	-	-	-	(1,741)	-	(1,741)	-	(1,741)
<b>Balance as at 31 December 2016</b>								
- as restated	110,000	-	625	35,498	-	146,123	4	146,127
Profit for the period (Restated)	-	-	-	16,699	-	16,699	(12)	16,687
Other comprehensive income for the period	-	-	-	-	(350)	(350)	-	(350)
Total comprehensive income for the period	-	-	-	16,699	(350)	16,349	(12)	16,337
Deficit on business combination under common control	-	(576)	-	-	-	(576)	-	(576)
Decrease in non-controlling interests of the subsidiaries from business combination under common control	-	-	-	-	-	-	(6)	(6)
Increase in non-controlling interests of the subsidiaries from establishment new companies	-	-	-	-	-	-	6	6
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	(1)	(1)
<b>Balance as at 30 September 2017</b>								
- as restated	110,000	(576)	625	52,197	(350)	161,896	(9)	161,887
<b>Balance as at 31 December 2017</b>								
- as previously reported	110,000	(689)	818	52,528	(408)	162,249	(52)	162,197
Effects of adjustments of prior years (Note 3)	-	-	-	(1,850)	-	(1,850)	-	(1,850)
<b>Balance as at 31 December 2017</b>								
- as restated	110,000	(689)	818	50,678	(408)	160,399	(52)	160,347
Profit for the period	-	-	-	13,638	-	13,638	(34)	13,604
Other comprehensive income for the period	-	-	-	-	(599)	(599)	-	(599)
Total comprehensive income for the period	-	-	-	13,638	(599)	13,039	(34)	13,005
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	(1)	(1)
<b>Balance as at 30 September 2018</b>								
	110,000	(689)	818	64,316	(1,007)	173,438	(87)	173,351

The accompanying notes are an integral part of these financial statements

(Unaudited but reviewed)

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			
	Issued and paid up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
<b>Balance as at 31 December 2016 - as previously reported</b>	110,000	625	12,552	123,177
Effects of adjustments of prior years (Note 3)	-	-	(657)	(657)
<b>Balance as at 31 December 2016 - as restated</b>	110,000	625	11,895	122,520
Profit for the period (Restated)	-	-	11,275	11,275
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	11,275	11,275
<b>Balance as at 30 September 2017 - as restated</b>	<u>110,000</u>	<u>625</u>	<u>23,170</u>	<u>133,795</u>
<b>Balance as at 31 December 2017 - as previously reported</b>	110,000	818	24,596	135,414
Effects of adjustments of prior years (Note 3)	-	-	(689)	(689)
<b>Balance as at 31 December 2017 - as restated</b>	110,000	818	23,907	134,725
Profit for the period	-	-	3,231	3,231
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	3,231	3,231
<b>Balance as at 30 September 2018</b>	<u>110,000</u>	<u>818</u>	<u>27,138</u>	<u>137,956</u>

The accompanying notes are an integral part of these financial statements

**SAAM Energy Development Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2018**

**1. General information**

**1.1 The Company's general information**

SAAM Energy Development Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the transformation to a public company under the Public Limited Companies Act on 8 August 2018 and domiciled in Thailand. The Company is principally engaged in developing renewable energy power plant projects for sale including procuring project land and providing related services, and investing in renewable energy power plants. Its registered office address is at Major Tower Thonglor, Room No. 2.2, 10th Floor, 141 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua, Wattana, Bangkok.

**1.2 Basis of 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, statements of income, 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.

**1.3 Basis of consolidation**

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017 with no structural changes related to subsidiaries during the current period.

## **1.4 New financial reporting standards**

### **(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### **(b) Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.



### **Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017, except a retrospective adjust related to TAS 17 (revised 2017) Lease as described in Note 3 Cumulative impact of prior year adjustment.

### 3. Cumulative impact of prior year adjustment

During year 2018, the Company and its subsidiaries considered the recognition of operating leases of land on a straight-line basis over the lease period. The Company and its subsidiaries previously recorded the land rental expenses on an actual basis in the financial statements, and it was noted that the Company and its subsidiaries under recorded land rental expenses. The Company and its subsidiaries therefore decided to retrospectively adjust the consolidated and separated statement of financial position as at 31 December 2017, and the related consolidated and separated statements of income for the three-month and nine-month periods ended 30 September 2017, presented herein for comparative purpose and to present the consolidated and separated statement of financial position as at 1 January 2017, in order to appropriately reflect the adjustment transaction.

The amounts of adjustment affecting the consolidated and separated financial statements are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	1 January	31 December	1 January
	2017	2017	2017	2017
<b>Statement of financial position</b>				
Increase in other non-current liabilities	1,850	1,741	689	657
Decrease in unappropriated retained earnings	1,850	1,741	689	657

  

	(Unit: Thousand Baht)			
	For the three-month period		For the nine-month period ended	
	ended 30 September 2017		30 September 2017	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statements	statements	statements	statements
<b>Statement of income</b>				
Increase in cost of services and rental	39	13	92	22
Decrease in net profit	39	13	92	22
Decrease in basic earnings per share (Baht)	0.0002	0.0001	0.0004	0.0001

#### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties, principally in respect of the provision of services and loans. The pricing policies for these related party transactions are summarised as follows:

1. Management fees and operation fee are charged at the amount stated in the agreements.
2. Interest on loans are charged at 0.05 - 3.00 percent per annum and MLR - 0.40 per annum (2017: 1.50 - 3.00 percent per annum).
3. Dividend income is recognised when declared and the right to receive the dividends is established.

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	1,383	797
Management income	-	-	2,304	2,340
Interest income	-	-	86	27
Interest expenses	-	-	205	10
<u>Transactions with related companies</u>				
Interest expenses	-	4	-	-

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	1,442	797
Management income	-	-	6,912	7,160
Dividend income (Note 6)	-	-	5,649	12,248
Interest income	-	-	227	56
Purchase of fixed assets	-	-	-	247
Interest expenses	-	-	409	27
<u>Transactions with related companies</u>				
Dividend paid	1	-	-	-
Interest income	-	36	-	-
Interest expenses	-	69	-	-

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
<b><u>Trade accounts receivable - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	1,411	-
Total trade accounts receivable - related parties	-	-	1,411	-
<b><u>Accrued interest income - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	230	60
Total accrued interest income - related parties	-	-	230	60
<b><u>Advance from related parties (Note 10)</u></b>				
Director	-	138	-	-
Total advance from related parties	-	138	-	-
<b><u>Accrued interest expense - related parties</u></b>				
<b>(Note 10)</b>				
Subsidiaries	-	-	133	26
Total accrued interest expense - related parties	-	-	133	26

### Loans to related parties and loans from related parties

As at 30 September 2018 and 31 December 2017, the balance of loans between the Company and those related companies and the movement are as follows:

### Short-term loans to related parties

(Unit: Thousand Baht)

Short-term loans to	Related by	Separate financial statements				
		Balance as at	During the period		Unrealised	Balance as at
		31 December 2017	Increase	Decrease	loss on	30 September 2018
					exchange rate	
SAAM International Limited	Subsidiary	9,714	24,084	-	(1,062)	32,736
SAAM Solar Power One Co., Ltd.	Subsidiary	2,600	-	(2,600)	-	-
SAAM Three Co., Ltd.	Subsidiary	-	200	(200)	-	-
Total short-term loans to related parties		12,314	24,284	(2,800)	(1,062)	32,736

**Short-term loans from related parties**

(Unit: Thousand Baht)

Short-term loans from	Related by	Separate financial statements			
		Balance as at 31 December 2017	During the period		Balance as at 30 September 2018
			Increase	Decrease	
SAAM Solar Power Two Co., Ltd.	Subsidiary	6,000	-	-	6,000
SAAM One Co., Ltd.	Subsidiary	-	6,000	(3,000)	3,000
SAAM Three Co., Ltd.	Subsidiary	-	2,500	(2,500)	-
SAAM Two Co., Ltd.	Subsidiary	-	2,000	(2,000)	-
Total short-term loans from related parties		6,000	10,500	(7,500)	9,000

**Long-term loan from related party**

(Unit: Thousand Baht)

Long-term loan from	Related by	Separate financial statements			
		Balance as at 31 December 2017	During the period		Balance as at 30 September 2018
			Increase	Decrease	
SAAM Three Co., Ltd.	Subsidiary	-	17,430	(1,700)	15,730
Total long-term loan from related party		-	17,430	(1,700)	15,730
Less: Current portion					(4,080)
Long-term loan from related party - net of current portion					11,650

On 27 April 2018, the Company entered into a long-term loan agreement with SAAM Three Co., Ltd., a subsidiary company, with a credit facility of Baht 15 million. The loan bears interest at the rate of MLR - 0.40 percent per annum for 2 years commencing from the loan agreement date, and after 2 years the interest rate will be MLR + 0.10 percent per annum. The Company shall repay the principal with interest on a monthly basis on the 7th day of each month in 60 installments with the first installment due on 7 May 2018.

Subsequently, on 21 September 2018, the Company and the subsidiary company entered into an addendum to the long-term loan agreement to amend the credit facility from Baht 15 million to Baht 20 million.

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	1,425	1,170	3,885	3,630
Post-employment benefits	33	216	99	646
<b>Total</b>	<b>1,458</b>	<b>1,386</b>	<b>3,984</b>	<b>4,276</b>

**5. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade accounts receivables - related parties</u>				
(Note 4)				
Aged on the basis of due dates				
Not yet due	-	-	1,411	-
<b>Total trade accounts receivable - related parties</b>	<b>-</b>	<b>-</b>	<b>1,411</b>	<b>-</b>
<u>Trade accounts receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	6,796	6,295	1,577	1,577
<b>Total trade accounts receivable - unrelated parties</b>	<b>6,796</b>	<b>6,295</b>	<b>1,577</b>	<b>1,577</b>
<u>Other receivables</u>				
Advance to employee	10	-	10	-
Accrued interest income - related parties				
(Note 4)	-	-	230	60
Accrued income	1,463	1,069	-	-
Prepaid expenses	810	1,393	568	1,250
Value added tax refundable	1	1	-	-
<b>Total other receivables</b>	<b>2,284</b>	<b>2,463</b>	<b>808</b>	<b>1,310</b>
<b>Total trade and other receivables</b>	<b>9,080</b>	<b>8,758</b>	<b>3,796</b>	<b>2,887</b>

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2018	2017	2018	2017	2018	2017	2018	2017
			(percent)	(percent)				
SAAM One Co., Ltd.	4,000	4,000	100	100	4,000	4,000	2,000	5,000
SAAM Two Co., Ltd.	1,500	1,500	100	100	1,500	1,500	1,049	3,749
SAAM Three Co., Ltd.	30,000	30,000	100	100	30,000	30,000	2,100	1,500
SAAM Service Co., Ltd.	1,000	1,000	100	100	1,000	1,000	500	1,999
SAAM Solar Power One Co., Ltd.	40,000	40,000	100	100	39,999	39,999	-	-
SAAM Solar Power Two Co., Ltd.	40,000	40,000	100	100	39,999	39,999	-	-
SAAM International Limited	100 HKD	100 HKD	100	100	466	466	-	-
Total					116,964	116,964	5,649	12,248

### 6.1 Establishment of new companies

On 9 May 2018, a meeting of the Company's Board of Directors No. 2/2018 passed a resolution approving the establishment of two new subsidiaries in Taiwan, in order to implement the renewable energy project. The new subsidiaries have an initial registered capital of TWD 100,000, with the Company to hold 100 percent.

As at 30 September 2018, the Company has not established such new subsidiaries.

### 6.2 Purchase of investment

On 9 May 2018, a meeting of the Company's Board of Directors No. 2/2018 acknowledged a resolution of a meeting of the Company's Board of Executive Committee No. 4/2018 on 3 May 2018 to approve the wholly purchase of membership interests of SOMA Kyodo Self-Generation Development GK by Biomass Power Eight GK, a subsidiary company, from an existing membership, at amounting to JPY 42.4 million, as mutually agreed price as stipulated in an interest purchase agreement, representing a 100% interest in this company. The subsidiary company paid deposit for the interest purchase amounting to JPY 2.4 million or equivalent to Baht 0.7 million.

Subsequently, the subsidiary company and the existing membership were in agreement to terminate this interest purchase agreement which was effective on 31 August 2018 onwards. In addition, the subsidiary company agreed to settle the deposit to a penalty for termination of the interest purchase agreement in whole amount to the existing membership. Therefore, the subsidiary company had wrote-off this deposit as other expenses in the income statement for the current period.

(Unaudited but reviewed)

## 7. Investment property

Investment properties of a subsidiary company are land at cost of Baht 82.5 million and are located in Phetchaburi and Prachuap Khiri Khan provinces which are rental for solar power plant. The terms of the rental agreements are generally 25 years.

As at 30 September 2018 and 2017, the subsidiary company has rental income related to these rental agreements as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Rental income	3,288	3,288	9,864	9,864

As at 30 September 2018, the subsidiary company has pledged its land which net book value amounting to approximately Baht 82.5 million (2017: Baht 82.5 million) as collateral against credit facilities received from a financial institution in Note 11 to the financial statements.

## 8. Property, plant and equipment

Movements of property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2017</b>	137,451	3,168
Acquisitions during period - at cost	107	77
Depreciation for period	(3,958)	(322)
Disposal - net book value at write-off date	(24)	(24)
<b>Net book value as at 30 September 2018</b>	<u>133,576</u>	<u>2,899</u>

As at 30 September 2018, a subsidiary has pledged its land and construction amounting to approximately Baht 123.8 million (31 December 2017: Baht 127.6 million) as collateral against credit facilities received from a financial institution as described in Note 11 to the financial statements.



**9. Intangible assets**

Movements in the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2017</b>	82	82
Purchase during the period - at cost	13	7
Amortisation during the period	(7)	(7)
<b>Net book value as at 30 September 2018</b>	<b>88</b>	<b>82</b>

**10. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade accounts payable	568	524	78	69
Accrued expenses	3,125	2,587	2,004	429
Other payables	603	337	434	251
Advance from related parties (Note 4)	-	138	-	-
Accrued interest expense - related parties (Note 4)	-	-	133	26
Accrued interest expense	830	845	-	-
Value added tax payable	269	317	75	112
<b>Total trade and other payables</b>	<b>5,395</b>	<b>4,748</b>	<b>2,724</b>	<b>887</b>

(Unaudited but reviewed)

## 11. Long-term loans from financial institutions / current portion of long-term loans

The detail of long-term loans from financial institutions as at 30 September 2018 and 31 December 2017 are summarised below:

(Unit: Thousand Baht)

Consolidated  
financial statements

30 September 2018 31 December 2017

No.	Lender	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements	
			Repayment term	Collateral	Interest rate (percent per annum)	30 September 2018	31 December 2017
<b>Subsidiaries</b>							
<b>SAAM Three Co., Ltd.</b>							
1.	Bank	70	76 monthly installments with the first installment due on 7 April 2016.	Land classified as investment properties of the subsidiary company	MLR - 1.5	39,872	46,888
2.	Bank	20	60 monthly installments with the first installment due on 7 May 2018.	Mortgage the land and construction of two shareholders of subsidiary company	MLR - 0.5 for 2 years commencing from the first drawdown date, and after 2 years the interest will be MLR	15,730	-
<b>SAAM Solar Power One Co., Ltd.</b>							
3.	Bank	95.2	51 quarterly installments with the first installment due on 7 April 2016.	Mortgage of the subsidiary company's ordinary shares, land and construction thereon	BIBOR 3 month + 2	80,734	85,817
Total long-term loans from financial institutions						136,336	132,705
Less : current portion						(20,625)	(16,055)
Long-term loans from financial institutions - net of current portion						115,711	116,650

Movement in the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Balance as at 31 December 2017</b>	132,705
Plus: Addition during the period	17,430
Less: Repayment	(13,799)
<b>Balance as at 30 September 2018</b>	<u>136,336</u>

The loan agreements contain several covenants which, among other things, require the two subsidiaries to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

During the year 2016, SAAM Solar Power One Co., Ltd., a subsidiary company, entered into an interest rate swap contract with a local commercial bank to swap the interest rate on half of the balance of a long-term loan from that bank from a rate of BIBOR 3 month per annum, to fixed interest rate of 2.41 percent per annum. The contract is effective from 7 July 2016 until 7 July 2021.

## 12. Share capital

On 4 August 2018, the Extraordinary General Meeting of the Company's shareholders No. 1/2018 passed the following special resolutions.

- a) To approve the transformation of the Company from a limited company to a public company and list the Company on the MAI.
- b) To approve the change in the par value of ordinary shares of the Company from Baht 100 per share to Baht 0.50 per share, resulting in an increased, the number of shares from 1.1 million shares to 220 million shares.
- c) To approve the increase in the Company's registered share capital from Baht 110 million (220 million ordinary shares of Baht 0.50 per share after the par value is changed as discussed in b) above) to Baht 150 million (300 million ordinary shares of Baht 0.50 per share) through the issuance of 80 million new ordinary shares with a par value of Baht 0.50 each to be reserved for initial public offering after the Company listed on the MAI.

(Unaudited but reviewed)

The Company registered its transformation to SAAM Energy Development Public Company Limited and change in the par value of the Company's ordinary shares, and the increase in share capital with the Ministry of Commerce on 8 August 2018.

### 13. 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 expense for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	1,156	979	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(582)	(8)	(580)	(7)
<b>Income tax (income) expenses reported in the income statement</b>	<u>574</u>	<u>971</u>	<u>(580)</u>	<u>(7)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	3,164	2,846	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(624)	20	(620)	(21)
<b>Income tax (income) expenses reported in the income statement</b>	<u>2,540</u>	<u>2,866</u>	<u>(620)</u>	<u>(21)</u>

**14. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in par value from Baht 100 each to Baht 0.50 each as discussed in Note 12 to the interim financial statements. The number of ordinary share is adjusted as if the share split had occurred at the beginning of the earliest period reported.

**15. Segment information**

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September							
	Development service		Distribute of electricity		Adjustments and eliminating		Consolidated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)						(Restated)
Revenue from sales, services and rental	15,630	10,837	4,008	4,238	(1,900)	2,893	17,738	17,968
Cost of sales, services and rental	(3,570)	(3,364)	(1,544)	(1,522)	164	225	(4,950)	(4,661)
Gross profit	<u>12,060</u>	<u>7,473</u>	<u>2,464</u>	<u>2,716</u>	<u>(1,736)</u>	<u>3,118</u>	<u>12,788</u>	<u>13,307</u>
Other income							41	356
Selling and servicing expenses							(56)	(47)
Administrative expenses							(7,995)	(5,627)
Other expenses							(1,130)	-
Finance cost							(1,438)	(1,378)
Income tax expenses							(574)	(971)
Non-controlling interests of the subsidiaries							25	12
Profit for the period							<u>1,661</u>	<u>5,652</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September							
	Development service		Distribute of electricity		Adjustments and eliminating		Consolidated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)						(Restated)
Revenue from sales, services and rental	45,455	43,155	12,686	13,591	(4,263)	(1,963)	53,878	54,783
Cost of sales, services and rental	(10,056)	(9,921)	(4,565)	(5,429)	223	225	(14,398)	(15,125)
Gross profit	<u>35,399</u>	<u>33,234</u>	<u>8,121</u>	<u>8,162</u>	<u>(4,040)</u>	<u>(1,738)</u>	<u>39,480</u>	<u>39,658</u>
Other income							148	966
Selling and servicing expenses							(363)	(128)
Administrative expenses							(17,656)	(16,574)
Other expenses							(1,130)	-
Finance cost							(4,335)	(4,369)
Income tax expenses							(2,540)	(2,866)
Non-controlling interests of the subsidiaries							34	12
Profit for the period							<u>13,638</u>	<u>16,699</u>

## 16. Commitments and contingencies

The Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows;

### 16.1 Capital commitments

On 12 May 2015, SAAM Solar Power Two Co., Ltd, a subsidiary company, entered into 25-year power purchase agreement with a government unit with respect to the purchase of solar power generated by the ground-mount solar plant located in Amuphur Deelung, Lopburi province which to commence commercial electricity sale by 31 December 2015.

Subsequently on 21 May 2015, an event of force majeure occurred, causing the subsidiary company to relocate the solar power plant to Phetchaburi province. The committee of the government unit agreed that it was a force majeure event but they did not to approve the relocation of the solar power plant. As a result, the subsidiary failed to commence commercial electricity sale by the specified date. The government unit then sent a letter to the subsidiary, notifying its intention to cancel the power purchase agreement. However during the year 2015, the subsidiary had entered into many following agreements in order to set up this solar power plant.

a) A solar power plant construction contract

The subsidiary company entered into a solar power plant construction contract with a company to comply with a condition stipulated in the power purchase agreement at a total cost Baht 27.6 million. As at 30 September 2018, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (31 December 2017: Baht 4.8 million). The subsidiary presented this construction cost under “Construction in progress” amounting to Baht 3.5 million (31 December 2017: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (31 December 2017: Baht 1.3 million) in the consolidated statement of financial position. The subsidiary had remaining commitments in respect of the solar power plant construction contract by the completed milestone totaling Baht 22.8 million (31 December 2017: Baht 22.8 million)

b) Equipment supply contract

The subsidiary company entered into Main Equipment Supply contract with a foreign company for the main equipment related to the construction of the solar power plant at a total cost USD 2.8 million. As at 30 September 2018, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 23.4 million (31 December 2017: Baht 23.6 million). The subsidiary company presented this deposit for main equipment under “Deposit for equipment” in the consolidated statement of financial position. The subsidiary company had remaining commitments in respect of the Main Equipment Supply contract by the completed milestone totaling USD 2.1 million (31 December 2017: USD 2.1 million).

Regarding the above mentioned occurrence of forced majeure and commitments, on 28 July 2016, the subsidiary company filed a lawsuit against the government unit and other two units with the Central Administrative Court, seeking either the enforcement of the power purchase agreement or the compensation for damages arising upon related commitments under agreements. Currently, the lawsuit is under the consideration of the Central Administrative Court. The Group’s management considered an opinion of a legal counsel, the commitments under the agreements and consequences from terminating related contracts early and believed that the construction in progress and the deposit for the main equipment are valuable until the litigation process is finalised. In addition, in case of early termination of the Main Equipment Supply contract, the subsidiary has the right to receive a full refund. Therefore as at 30 September 2018, the Group’s management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

**16.2 Commitment for sell and purchase of land agreement**

SAAM Three Co., Ltd., a subsidiary company, entered into to sell and to purchase land agreement with a third party who was an owner of the land where the solar power plant was to be located at a total cost Baht 14.6 million (31 December 2017: Baht 14.6 million). Currently, the subsidiary company was in a process of land fill and solar power plant construction. The subsidiary was obligated to pay to the land owner the rental amounting to Baht 0.3 million per year (31 December 2017: Baht 0.3 million).

**16.3 Land commitments**

The Company and its subsidiaries entered into lease agreements in respect of the lease of land for solar power plant operation services provided to a company. The terms of the land lease agreements are the earlier of 18 to 25 years and the end of the service agreements.

As at 30 September 2018 and 31 December 2017, the remaining terms of these land lease agreements are 11 to 15 years. Future minimum lease payments required under these land lease agreements are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payable:				
In up to 1 year	2.4	2.4	0.9	0.9
In over 1 and up to 5 years	11.9	11.7	5.3	5.3
In over 5 years	22.3	24.6	7.0	8.0

As at 30 September 2018 and 31 December 2017, the company and its subsidiaries has future minimum of service income expected to be received under these land rental agreements as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Service income:				
In up to 1 year	30.4	30.4	8.8	8.8
In over 1 and up to 5 years	121.5	121.5	35.4	35.4
In over 5 years	229.2	252.0	44.3	51.0



**16.4 Operating lease commitment**

The Company entered into a three-year agreement with respect to office space rental and related facility service for the Group operation. This agreement will expire in December 2019. The Company is obliged to pay a monthly rental and service fee approximately Baht 0.07 million (31 December 2017: Baht 0.07 million).

**16.5 Service commitment**

16.5.1 The Company entered into a long-term agreement with a third party for land and solar power plant management in Phetchaburi province. This agreement will expire in 2030. The Company is obliged to pay a yearly service fee totaling approximately Baht 0.2 million (31 December 2017: Baht 0.2 million).

16.5.2 The Company entered into a financial advisory service agreement with a financial advisor for providing consultancy to the Company relating to listing and sale of its securities on the Stock Exchange of Thailand. The Company is obliged to pay consulting fees as stated in the agreement.

**17. Foreign currency risk and interest rate risk**

The Company and the subsidiaries exposure to foreign currency risk arises mainly from services, loan and purchase of equipment that are denominated in foreign currencies.

As at 30 September 2018 and 31 December 2017, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements			
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<b>Financial assets</b>						
US dollar	0.7	0.7	-	-	32.2364	32.5146
Yen	-	-	117.9	30.3	0.2817	0.2860
HK dollar	-	-	0.2	0.2	4.1046	4.1421

SAAM Solar Power One Co., Ltd., a subsidiary company, has an interest rate swap contract to swap the interest on half of the balance of a long-term loans from bank as described in Note 11 as below.

Consolidated financial statements			
Currency	Loan	Interest	Maturity date
	(Million)	(Percent per annum)	
<b>As at 30 September 2018</b>			
Baht	41.2	Exchange of interest at BIBOR 3 month to interest at 2.41 per annum	8 October 2018
<b>As at 31 December 2017</b>			
Baht	43.5	Exchange of interest at BIBOR 3 month to interest at 2.41 per annum	8 January 2018

## 18. Events after the reporting period

- 18.1 On 12 October 2018, a meeting of the Company's Board of Directors No.3/2018 passed a resolution approving the payment of an interim dividend in respect of earnings as at 30 June 2018 of Baht 0.014 per share to its shareholders, a total of Baht 3.1 million. The Company will set aside a statutory reserve at five percent of its net profit for the six-month period ended 30 June 2018. The Company paid the interim dividend to its shareholders on 25 October 2018. Such dividend and statutory reserve will be recorded in the fourth quarter of 2018.
- 18.2 On 5 October 2018, a meeting of SAAM One Co., Ltd's Board of Directors No.4/2018, a subsidiary company, passed a resolution approving the payment of an interim dividend in respect of earnings as at 30 June 2018 of Baht 75 per share to its shareholders, a total of Baht 3 million. The subsidiary company paid the interim dividend to its shareholders on 25 October 2018. Such dividend will be recorded in the fourth quarter of 2018.
- 18.3 On 5 October 2018, a meeting of SAAM Two Co., Ltd's Board of Directors No.4/2018, a subsidiary company, passed a resolution approving the payment of an interim dividend in respect of earnings as at 30 June 2018 of Baht 135 per share to its shareholders, a total of Baht 2 million. The subsidiary company paid the interim dividend to its shareholders on 25 October 2018. Such dividend will be recorded in the fourth quarter of 2018.

## 19. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 12 November 2018.