

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 2019

## **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 2019, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, 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.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 5 November 2019

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

**Statement of financial position**

**As at 30 September 2019**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	36,466	163,994	8,091	145,566
Current investments	5	100,000	-	100,000	-
Trade and other receivables	6	9,723	8,611	8,086	4,944
Project in progress	7	10,463	10,799	-	-
Current portion of prepaid land rental expense	9	96	96	-	-
Short-term loans to related parties	3	-	-	33,404	24,905
Other current assets		4,849	5,691	1,324	1,720
<b>Total current assets</b>		<b>161,597</b>	<b>189,191</b>	<b>150,905</b>	<b>177,135</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	118,214	116,964
Prepaid land rental expense - net of current portion	9	8,139	8,211	-	-
Investment properties	10	82,495	82,495	-	-
Property, plant and equipment	11	123,566	132,179	2,563	2,790
Intangible assets	12	78	86	72	80
Deposit of purchase land and equipment	19.1	24,781	26,134	-	-
Deferred tax assets		2,008	2,207	1,924	2,129
Other non-current assets		4,577	4,620	1,662	1,662
<b>Total non-current assets</b>		<b>245,644</b>	<b>255,932</b>	<b>124,435</b>	<b>123,625</b>
<b>Total assets</b>		<b>407,241</b>	<b>445,123</b>	<b>275,340</b>	<b>300,760</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 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	13	4,064	9,684	1,727	6,532
Short-term loans from related parties	3	-	-	6,000	6,000
Current portion of long-term loans from related party	3	-	-	-	4,080
Current portion of long-term loans from financial institutions	14	17,290	20,797	-	-
Income tax payable		737	1,625	-	-
Other current liabilities		1,300	2,133	902	1,654
<b>Total current liabilities</b>		<b>23,391</b>	<b>34,239</b>	<b>8,629</b>	<b>18,266</b>
<b>Non-current liabilities</b>					
Long-term loan from related party - net of current portion	3	-	-	-	10,130
Long-term loans from financial institutions - net of current portion	14	86,772	110,563	-	-
Provision for long-term employee benefits		1,697	1,363	1,148	852
Other non-current liabilities - rental payable		2,035	1,966	748	724
<b>Total non-current liabilities</b>		<b>90,504</b>	<b>113,892</b>	<b>1,896</b>	<b>11,706</b>
<b>Total liabilities</b>		<b>113,895</b>	<b>148,131</b>	<b>10,525</b>	<b>29,972</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 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
(continued)					
Shareholders' equity					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 0.50 each		150,000	150,000	150,000	150,000
Issued and fully paid up					
300,000,000 ordinary shares of Baht 0.50 each		150,000	150,000	150,000	150,000
Share premium		99,419	99,419	99,419	99,419
Deficit on business combination under					
common control		(689)	(689)	-	-
Retained earnings					
Appropriated - statutory reserve	18	2,106	1,976	2,106	1,976
Unappropriated		44,017	47,257	13,290	19,393
Other components of shareholders' equity		(1,168)	(659)	-	-
Equity attributable to owners of the Company		293,685	297,304	264,815	270,788
Non-controlling interests of the subsidiaries		(339)	(312)	-	-
Total shareholders' equity		293,346	296,992	264,815	270,788
Total liabilities and shareholders' equity		407,241	445,123	275,340	300,760
		-	-	-	-

The accompanying notes are an integral part of these financial statements

Directors

**SAAM Energy Development Public Company Limited and its subsidiaries****Statement of income****For the three-month period ended 30 September 2019**

(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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Sales		4,037	4,008	-	-
Service and rental income		13,730	13,730	3,061	3,593
Dividend income from subsidiaries		-	-	5,104	-
Other income		538	41	3,514	2,427
<b>Total revenues</b>		<b>18,305</b>	<b>17,779</b>	<b>11,679</b>	<b>6,020</b>
<b>Expenses</b>					
Cost of sales		1,538	1,544	-	-
Cost of service and rental		3,205	3,406	857	873
Selling and service expenses		56	56	56	56
Administrative expenses		9,216	7,995	3,787	7,696
Other expenses		-	1,130	-	-
<b>Total expenses</b>		<b>14,015</b>	<b>14,131</b>	<b>4,700</b>	<b>8,625</b>
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>4,290</b>	<b>3,648</b>	<b>6,979</b>	<b>(2,605)</b>
Finance cost		(1,161)	(1,438)	(96)	(233)
<b>Profit (loss) before income tax expenses</b>		<b>3,129</b>	<b>2,210</b>	<b>6,883</b>	<b>(2,838)</b>
Income tax (expenses) income	15	(1,533)	(574)	(451)	580
<b>Profit (loss) for the period</b>		<b>1,596</b>	<b>1,636</b>	<b>6,432</b>	<b>(2,258)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		1,598	1,661	6,432	(2,258)
Non-controlling interests of the subsidiaries		(2)	(25)	-	-
		<u>1,596</u>	<u>1,636</u>		
<b>Basic earnings (loss) per share (Baht)</b>					
Profit (loss) attributable to equity holders of the Company	16	0.005	0.008	0.021	(0.010)
Weighted average number of ordinary shares (Thousand shares)		<u>300,000</u>	<u>220,000</u>	<u>300,000</u>	<u>220,000</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 comprehensive income**

**For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit (loss) for the period</b>	<u>1,596</u>	<u>1,636</u>	<u>6,432</u>	<u>(2,258)</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>(128)</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(128)</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(128)</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (loss) for the period</b>	<u><u>1,468</u></u>	<u><u>525</u></u>	<u><u>6,432</u></u>	<u><u>(2,258)</u></u>
<b>Total comprehensive income (loss) attributable to:</b>				
Equity holders of the Company	1,470	550	<u>6,432</u>	<u>(2,258)</u>
Non-controlling interests of the subsidiaries	<u>(2)</u>	<u>(25)</u>		
	<u><u>1,468</u></u>	<u><u>525</u></u>		

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

**SAAM Energy Development Public Company Limited and its subsidiaries****Statement of income (continued)****For the nine-month period ended 30 September 2019**

(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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Sales		12,856	12,686	-	-
Service and rental income		41,192	41,192	8,923	8,074
Dividend income from subsidiaries	8	-	-	8,099	5,649
Other income		1,078	148	8,755	7,248
<b>Total revenues</b>		<b>55,126</b>	<b>54,026</b>	<b>25,777</b>	<b>20,971</b>
<b>Expenses</b>					
Cost of sales		4,568	4,565	-	-
Cost of service and rental		9,605	9,833	2,594	2,779
Selling and service expenses		165	363	165	165
Administrative expenses		21,964	17,656	13,538	14,957
Other expenses		-	1,130	-	-
<b>Total expenses</b>		<b>36,302</b>	<b>33,547</b>	<b>16,297</b>	<b>17,901</b>
<b>Profit before finance cost and income tax expenses</b>					
Finance cost		(3,571)	(4,335)	(248)	(459)
<b>Profit before income tax expenses</b>		<b>15,253</b>	<b>16,144</b>	<b>9,232</b>	<b>2,611</b>
Income tax (expenses) income	15	(3,389)	(2,540)	(205)	620
<b>Profit for the period</b>		<b>11,864</b>	<b>13,604</b>	<b>9,027</b>	<b>3,231</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		11,890	13,638	9,027	3,231
Non-controlling interests of the subsidiaries		(26)	(34)	-	-
		<u>11,864</u>	<u>13,604</u>		
<b>Basic earnings per share (Baht)</b>					
Profit attributable to equity holders of the Company	16	0.040	0.062	0.030	0.015
Weighted average number of ordinary shares (Thousand shares)		300,000	220,000	300,000	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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit for the period</b>	<u>11,864</u>	<u>13,604</u>	<u>9,027</u>	<u>3,231</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>(509)</u>	<u>(599)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(509)</u>	<u>(599)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(509)</u>	<u>(599)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>11,355</u></u>	<u><u>13,005</u></u>	<u><u>9,027</u></u>	<u><u>3,231</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	11,381	13,039	<u><u>9,027</u></u>	<u><u>3,231</u></u>
Non-controlling interests of the subsidiaries	<u>(26)</u>	<u>(34)</u>		
	<u><u>11,355</u></u>	<u><u>13,005</u></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 2019**

(Unit: Thousand Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>					
Profit before tax		15,253	16,144	9,232	2,611
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities:					
Unrealised loss on exchange rate		1,324	280	1,059	1,065
Amortisation of prepaid land rental expense		72	72	-	-
Depreciation and amortisation	11, 12	4,306	3,965	332	329
Write-off equipment		-	24	-	24
Allowance for impairment of power plant under construction	11	4,562	-	-	-
Write-off deposit for the interest purchase		-	708	-	-
Write-off withholding tax deducted at source		127	3	-	-
Write-off project in progress		-	422	-	-
Increase in provision for long-term employee benefits		334	151	296	132
Dividend income	8	-	-	(8,099)	(5,649)
Interest income		(945)	(52)	(1,175)	(245)
Interest expenses		3,416	4,014	152	409
Profit (loss) from operating activities before changes in operating assets and liabilities		28,449	25,731	1,797	(1,324)
Operating assets (increase) decrease					
Trade and other receivables		(391)	(322)	(2,268)	(741)
Project in progress		(29)	(10,567)	-	-
Other current assets		416	(45)	317	(91)
Other non-current assets		43	80	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(1,818)	584	(1,129)	1,731
Other current liabilities		(833)	24	(752)	10
Other non-current liabilities		69	88	24	27
Cash flows from (used in) operating activities		25,906	15,573	(2,011)	(388)
Cash received from withholding tax refundable		737	-	517	-
Cash paid for income tax		(4,516)	(4,171)	(438)	(409)
<b>Net cash flows from (used in) operating activities</b>		<b>22,127</b>	<b>11,402</b>	<b>(1,932)</b>	<b>(797)</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 2019**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>					
Cash paid for acquisition of equipment and intangible assets	11, 12	(247)	(120)	(97)	(84)
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		-	(708)	-	-
Cash received from settlement of short-term loans to related parties		-	-	-	2,800
Cash paid to provide short-term loans to related parties	3	-	-	(9,448)	(24,284)
Dividend received from subsidiaries	8	-	-	8,099	5,649
Cash paid for share increment in subsidiary	8.2	-	-	(1,250)	-
Current investments increase	5	(100,000)	-	(100,000)	-
Cash received from interest income		224	52	191	73
<b>Net cash flows used in investing activities</b>		<u>(100,023)</u>	<u>(145)</u>	<u>(102,505)</u>	<u>(15,846)</u>
<b>Cash flows from financing activities</b>					
Cash received from short-term loans from related parties		-	-	-	10,500
Cash paid to settle short-term loans from related parties		-	-	-	(7,500)
Cash received from long-term loan from related party		-	-	-	17,430
Cash paid to settle long-term loan from related party	3	-	-	(14,210)	(1,700)
Cash received from long-term loan from financial institution		-	17,430	-	-
Cash paid to settle long-term loans from financial institutions	14	(27,298)	(13,799)	-	-
Cash paid for direct costs related to share offering		(3,683)	-	(3,683)	-
Dividend paid	18	(15,000)	-	(15,000)	-
Cash paid for interest expenses		(3,506)	(4,029)	(145)	(302)
Decrease in non-controlling interest of the subsidiaries from dividend payment		(1)	(1)	-	-
<b>Net cash flows from (used in) financing activities</b>		<u>(49,488)</u>	<u>(399)</u>	<u>(33,038)</u>	<u>18,428</u>
Decrease in translation adjustments		<u>(144)</u>	<u>(599)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>(127,528)</u>	<u>10,259</u>	<u>(137,475)</u>	<u>1,785</u>
Cash and cash equivalents at beginning of period		<u>163,994</u>	<u>27,673</u>	<u>145,566</u>	<u>4,752</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>36,466</u></u>	<u><u>37,932</u></u>	<u><u>8,091</u></u>	<u><u>6,537</u></u>

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 2019**

(Unit: Thousand Baht)

	Consolidated financial statements								
	Equity attributable to owners of the Company								
							Other components of shareholders' equity		
							Other comprehensive income		
			Deficit on business combination under common control	Retained earnings Appropriated - statutory reserve	Unappropriated	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'
	Issued and paid up share capital	Share premium							equity
Balance as at 31 December 2017	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)
Balance as at 30 September 2018	110,000	-	(689)	818	64,316	(1,007)	173,438	(87)	173,351
Balance as at 31 December 2018	150,000	99,419	(689)	1,976	47,257	(659)	297,304	(312)	296,992
Profit for the period	-	-	-	-	11,890	-	11,890	(26)	11,864
Other comprehensive income for the period	-	-	-	-	-	(509)	(509)	-	(509)
Total comprehensive income for the period	-	-	-	-	11,890	(509)	11,381	(26)	11,355
Transferred unappropriated retained earnings to statutory reserve (Note 18)	-	-	-	130	(130)	-	-	-	-
Dividend paid (Note 18)	-	-	-	-	(15,000)	-	(15,000)	-	(15,000)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	(1)	(1)
Balance as at 30 September 2019	150,000	99,419	(689)	2,106	44,017	(1,168)	293,685	(339)	293,346

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 2019**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 31 December 2017</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>-</u>	<u>818</u>	<u>27,138</u>	<u>137,956</u>
 <b>Balance as at 31 December 2018</b>	150,000	99,419	1,976	19,393	270,788
Profit for the period	-	-	-	9,027	9,027
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	9,027	9,027
Transferred unappropriated retained earnings					
to statutory reserve (Note 18)	-	-	130	(130)	-
Dividend paid (Note 18)	-	-	-	(15,000)	(15,000)
<b>Balance as at 30 September 2019</b>	<u>150,000</u>	<u>99,419</u>	<u>2,106</u>	<u>13,290</u>	<u>264,815</u>

The accompanying notes are an integral part of these financial statements

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

**Notes to consolidated interim financial statements**

**For the three-month and nine-month periods ended 30 September 2019**

**1. General information**

**1.1 The Company's general information**

SAAM Energy Development Public Company Limited ("the Company") is a public company incorporated 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 2018 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 period**

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

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

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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 recognised 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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

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.



## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is 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 2018.

## **3. 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 - 1.25 percent per annum and MLR - 0.40 percent per annum (2018: 0.05 - 3.00 percent per annum and MLR - 0.40 percent per annum).
3. Dividend income is recognised when declared and the right to receive the dividends is established.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	850	1,383
Management income	-	-	2,880	2,304
Dividend income (Note 8)	-	-	5,104	-
Interest income	-	-	97	86
Interest expenses	-	-	18	205

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	2,291	1,442
Management income	-	-	7,488	6,912
Dividend income (Note 8)	-	-	8,099	5,649
Interest income	-	-	263	227
Interest expenses	-	-	151	409
<u>Transactions with related companies</u>				
Dividend paid	1	1	-	-

As at 30 September 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<u>Trade accounts receivable - related parties</u>				
(Note 6)				
Subsidiaries	-	-	4,714	2,524
Total trade accounts receivable - related parties	-	-	4,714	2,524

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b><u>Accrued interest income - related parties</u></b>				
<b>(Note 6)</b>				
Subsidiaries	-	-	448	194
Total accrued interest income - related parties	-	-	448	194
<b><u>Accrued interest expense - related parties</u></b>				
<b>(Note 13)</b>				
Subsidiaries	-	-	157	150
Total accrued interest expense - related parties	-	-	157	150

**Loans to related parties and loans from related parties**

As at 30 September 2019 and 31 December 2018, the balance of loans between the Company and those related companies and the movement are as follows:

**Short-term loans to related party**

(Unit: Thousand Baht)

Short-term loans to	Related by	Separate financial statements				
		Balance as at 31 December 2018	During the period		Unrealised loss on exchange rate	Balance as at 30 September 2019
			Increase	Decrease		
SAAM International Limited	Subsidiary	24,905	3,448	-	(949)	27,404
SAAM One Co., Ltd.	Subsidiary	-	1,000	-	-	1,000
SAAM Two Co., Ltd.	Subsidiary	-	500	-	-	500
SAAM Three Co., Ltd.	Subsidiary	-	4,500	-	-	4,500
Total short-term loans to related parties		24,905	9,448	-	(949)	33,404

**Short-term loans from related party**

(Unit: Thousand Baht)

Short-term loans from	Related by	Separate financial statements			
		Balance as at 31 December 2018	During the period		Balance as at 30 September 2019
			Increase	Decrease	
SAAM Solar Power Two Co., Ltd.	Subsidiary	6,000	-	-	6,000
Total short-term loans from related parties		6,000	-	-	6,000

(Unaudited but reviewed)

**Long-term loan from related party**

(Unit: Thousand Baht)

Long-term loan from	Related by	Separate financial statements			
		Balance as at 31 December 2018	During the period		Balance as at 30 September 2019
			Increase	Decrease	
SAAM Three Co., Ltd.	Subsidiary	14,210	-	(14,210)	-
Total long-term loan from related party		14,210	-	(14,210)	-
Less: Current portion		(4,080)			
Long-term loan from related party - net of current portion		10,130			

During the year 2018, the Company entered into a long-term loan agreement with SAAM Three Co., Ltd., a subsidiary company, with a credit facility of Baht 20 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, the Company fully paid such long-term loan to the subsidiary in February 2019.

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	1,180	1,425	3,580	3,885
Post-employment benefits	39	33	117	99
Total	1,219	1,458	3,697	3,984

(Unaudited but reviewed)

**4. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Cash	143	138	9	20
Bank deposits	36,323	163,856	8,082	145,546
Total cash and cash equivalent	36,466	163,994	8,091	145,566

As at 30 September 2019, bank deposits in saving accounts carried interests at 0.375 percent per annum (31 December 2018: 0.375 percent per annum).

**5. Current investments**

As at 30 September 2019, the Company has current investments which were fixed deposits at a bank. The fixed deposits carried interest at 1.50 percent and 1.75 percent per annum and will be matured within 2019.

**6. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<u>Trade accounts receivables - related parties</u>				
(Note 3)				
Aged on the basis of due dates				
Not yet due	-	-	4,714	2,524
Total trade accounts receivable - related parties	-	-	4,714	2,524
<u>Trade accounts receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	6,717	7,054	1,577	1,577
Total trade accounts receivable - unrelated parties	6,717	7,054	1,577	1,577
<u>Other receivables</u>				
Advance to employee	10	-	10	-
Accrued interest income - related parties (Note 3)	-	-	448	194
Accrued interest income - unrelated parties	721	-	721	-
Accrued income	1,426	769	-	-
Prepaid expenses	823	774	616	646
Value added tax refundable	26	11	-	-
Other receivables - unrelated parties	-	3	-	3
Total other receivables	3,006	1,557	1,795	843
Total trade and other receivables	9,723	8,611	8,086	4,944

(Unaudited but reviewed)

## 7. Project in progress

The net book value of project in progress as at 30 September 2019 and 31 December 2018 are presented below.

		(Unit: Thousand Baht)	
		Consolidated	
		financial statements	
		30	31
		September	December
		2019	2018
Grid application		252	252
Grid interconnection		8,451	8,451
Consultation fee		1,583	1,583
Others		539	510
Translation adjustment		(362)	3
Total project in progress		10,463	10,799
Write-off project in progress		-	901

## 8. Investments in subsidiaries

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

		(Unit: Thousand Baht)						
		Paid-up capital		Shareholding percentage		Cost		Dividend received during the
Company's name		30 September	31 December	30 September	31 December	30 September	31 December	nine-month periods ended
		2019	2018	2019	2018	2019	2018	30 September
				(percent)	(percent)			2018
SAAM One Co., Ltd.		4,000	4,000	100	100	4,000	4,000	2,400
SAAM Two Co., Ltd.		1,500	1,500	100	100	1,500	1,500	1,799
SAAM Three Co., Ltd.		30,000	30,000	100	100	30,000	30,000	3,900
SAAM Service Co., Ltd.		2,250	1,000	100	100	2,250	1,000	-
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						118,214	116,964	8,099
								5,649

### **8.1 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 plant project. The new subsidiaries have an initial registered capital of TWD 100,000 with the Company to hold 100 percent.

As at 30 September 2019, the Company has not established such new subsidiaries.

### **8.2 The new issuance of the subsidiary's share capital**

On 6 September 2019, the Extraordinary General Meeting of SAAM Service Co., Ltd. No. 1/2019 passed the special resolutions to approve the increase in registered share capital from Baht 1 million to Baht 6 million through the issuance of 50,000 new ordinary shares with a par value of Baht 100 each. The Company purchased such new shares in order to maintain its 100% interest in SAAM Service Co., Ltd., a subsidiary company. The subsidiary company called for payment of share capital at 25 percent of new shares, and the Company paid Baht 1.3 million for the share subscription on 9 September 2019.

The subsidiary company registered the increase in share capital with the Ministry of Commerce on 12 September 2019.

## **9. Prepaid land rental expense**

During the year 2015, SAAM Three Co., Ltd., a subsidiary company, entered into ninety-year land lease agreement with the landlord. The subsidiary company prepaid the land rental of Baht 8.6 million in full and amortised the land rental as expense on a straight-line basis over term of the agreement, at a rate of Baht 0.1 million per annum. As stipulated in the agreement, after 10 years of the transfer restriction period, the remaining prepaid land rental will be treated as the amount of land purchase. As at 30 September 2019, the subsidiary has remaining prepaid land rental expenses of Baht 8.2 million (31 December 2018: Baht 8.3 million).

## **10. 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.

(Unaudited but reviewed)

As at 30 September 2019 and 2018, the subsidiary company has rental income related to these rental agreements as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental income	3,288	3,288	9,864	9,864

As at 30 September 2019, the subsidiary company has pledged its land which net book value amounting to approximately Baht 82.5 million (31 December 2018: Baht 82.5 million) as collateral against credit facilities received from a financial institution in Note 14 to the financial statements.

#### 11. Property, plant and equipment

Movements of property, plant and equipment account during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2018</b>	132,179	2,790
Acquisitions during period - at cost	247	97
Depreciation for period	(4,298)	(324)
Impairment for period	(4,562)	-
<b>Net book value as at 30 September 2019</b>	<u>123,566</u>	<u>2,563</u>

During the current period, a subsidiary company recorded an allowance for asset impairment of Baht 4.6 million since its power plant under construction may be ceased the project as discussed in Note 19.1 to the financial statements.

As at 30 September 2019, the subsidiaries have pledged their land and construction amounting to approximately Baht 118.7 million (31 December 2018: Baht 122.5 million) as collateral against credit facilities received from financial institutions as described in Note 14 to the financial statements.



(Unaudited but reviewed)

## 12. Intangible assets

Movements in the intangible assets account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2018</b>	86	80
Amortisation during the period	(8)	(8)
<b>Net book value as at 30 September 2019</b>	<u>78</u>	<u>72</u>

## 13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Trade accounts payable	540	552	88	67
Accrued expenses	2,385	2,845	1,309	1,463
Other payables	113	5,233	66	4,830
Accrued interest expense - related parties (Note 3)	-	-	157	150
Accrued interest expense	729	819	-	-
Value added tax payable	297	235	107	22
<b>Total trade and other payables</b>	<u>4,064</u>	<u>9,684</u>	<u>1,727</u>	<u>6,532</u>

**14. Long-term loans from financial institution / current portion of long-term loans**

The detail of long-term loans from financial institution as at 30 September 2019 and 31 December 2018 are summarised below:

						(Unit: Thousand Baht)	
						Consolidated	
						financial statements	
Significant terms and conditions of loan agreements						30 September	31 December
No.	Lender	Credit facilities (Million Baht)	Repayment term	Collateral	Interest rate (percent per annum)	2019	2018
<u>Subsidiaries</u>							
<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	30,151	37,486
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	-	14,710
<b>SAAM Solar Power One Co., Ltd.</b>							
3.	Bank	95.2	51 quarterly installments with the first installment due on 7 April 2016.	Mortgaged of the subsidiary company's ordinary shares, land and construction thereon	BIBOR 3 month + 2	73,911	79,164
Total long-term loans from financial institution						104,062	131,360
Less: current portion						(17,290)	(20,797)
Long-term loans from financial institutions - net of current portion						86,772	110,563

(Unaudited but reviewed)

Movement in the long-term loans account the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Balance as at 31 December 2018</b>	131,360
Less: Repayment	(27,298)
<b>Balance as at 30 September 2019</b>	<u>104,062</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.

On 15 February 2019, SAAM Three Co., Ltd, a subsidiary company, fully paid a long-term loan from bank, with a credit facility of Baht 20 million, in order to comply the Company's objective of financing by the offering of additional shares.

## 15. 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 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	1,084	1,156	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	449	(582)	451	(580)
<b>Income tax (income) expenses reported in the income statement</b>	<u>1,533</u>	<u>574</u>	<u>451</u>	<u>(580)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	3,190	3,164	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	199	(624)	205	(620)
<b>Income tax (income) expenses reported in the income statement</b>	<u>3,389</u>	<u>2,540</u>	<u>205</u>	<u>(620)</u>

## 16. 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.

## 17. 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 2019 and 2018, respectively.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September							
	Development service		Distribute of electricity		Adjustments and eliminating		Consolidated financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue from sales, services and rental	15,502	15,630	4,037	4,008	(1,772)	(1,900)	17,767	17,738
Cost of sales, services and rental	(3,536)	(3,570)	(1,538)	(1,544)	331	164	(4,743)	(4,950)
Gross profit	<u>11,966</u>	<u>12,060</u>	<u>2,499</u>	<u>2,464</u>	<u>(1,441)</u>	<u>(1,736)</u>	<u>13,024</u>	<u>12,788</u>
Other income							538	41
Selling and servicing expenses							(56)	(56)
Administrative expenses							(9,216)	(7,995)
Other expenses							-	(1,130)
Finance cost							(1,161)	(1,438)
Income tax expenses							(1,533)	(574)
Non-controlling interests of the subsidiaries							2	25
Profit for the period							<u>1,598</u>	<u>1,661</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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue from sales, services and rental	44,808	45,455	12,856	12,686	(3,616)	(4,263)	54,048	53,878
Cost of sales, services and rental	(10,372)	(10,056)	(4,568)	(4,565)	767	223	(14,173)	(14,398)
Gross profit	<u>34,436</u>	<u>35,399</u>	<u>8,288</u>	<u>8,121</u>	<u>(2,849)</u>	<u>(4,040)</u>	<u>39,875</u>	<u>39,480</u>
Other income							1,078	148
Selling and servicing expenses							(165)	(363)
Administrative expenses							(21,964)	(17,656)
Other expenses							-	(1,130)
Finance cost							(3,571)	(4,335)
Income tax expenses							(3,389)	(2,540)
Non-controlling interests of the subsidiaries							26	34
Profit for the period							<u>11,890</u>	<u>13,638</u>

**18. Dividends payment**

Approved by		Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
<b><u>2019</u></b>				
Interim dividend paid on earnings as at 31 December 2018	Annual General Meeting of shareholders on 24 April 2019	7.5	0.025	22 May 2019
Interim dividend paid on net income as at 30 June 2019	Board of Director Meeting on 9 August 2019	<u>7.5</u>	<u>0.025</u>	5 September 2019
<b>Total dividends paid for the nine-month period ended 30 September 2019</b>		<u>15.0</u>	<u>0.050</u>	

**2018**

The Company had no dividend payment during the nine-month period ended 30 September 2018.

In addition, the Company Board of Directors' Meeting on 9 August 2019, approved to set aside an additional statutory reserve of Baht 0.13 million in the current period.

## 19. Commitments and contingencies

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

### 19.1 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 2019, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (31 December 2018: Baht 4.8 million). The subsidiary presented this construction cost under “Asset under construction” amounting to Baht 3.5 million (31 December 2018: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (31 December 2018: 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 2018: 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 2019, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 22.0 million (31 December 2018: Baht 23.4 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 2018: 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.

Subsequently on 25 September 2019, the Central Administrative Court pronounced a verdict to dismiss the lawsuit. The Group's management is of the opinion that this lawsuit has not been finalised and the subsidiary has a right to file an appeal with the Supreme Administrative Court against the verdict of the Central Administrative Court within the applicable limitation of legal terms. However, during the nine-month period ended 30 September 2019, the Group's management proceeded to set up a provision for impairment of power plant under construction totaling Baht 4.6 million which was presented under "Asset under construction" in the consolidated statement of financial position as discussed in Note 11 to the financial statements.

The Group's management considered an opinion of the Company's legal counsel, the commitments under the agreements and consequences from terminating related contracts early and believed that the deposits 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 2019, the Group's management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

Later on 25 October 2019, the subsidiary company lodged an appeal against the Central Administrative Court's verdict with the Supreme Administrative Court.

## **19.2 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 2018: 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 2018: Baht 0.3 million).

## **19.3 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.

(Unaudited but reviewed)

As at 30 September 2019 and 31 December 2018, the remaining terms of these land lease agreements are 8 to 13 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 2019	31 December 2018	30 September 2019	31 December 2018
Payable:				
In up to 1 year	2.5	2.4	0.9	0.9
In over 1 and up to 5 years	12.0	11.9	5.4	5.4
In over 5 years	19.2	21.5	5.6	6.6

As at 30 September 2019 and 31 December 2018, the Company and its subsidiaries have 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 2019	31 December 2018	30 September 2019	31 December 2018
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	198.9	221.6	35.5	42.1

#### 19.4 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 2018: Baht 0.07 million).

#### 19.5 Service commitment

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 2018: Baht 0.2 million).



## 20. 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 2019 and 31 December 2018, 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
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<b>Financial assets</b>						
US dollar	0.7	0.7	-	-	30.4176	32.2848
Yen	-	-	112.5	91.5	0.2796	0.2892
HK dollar	-	-	0.2	0.2	3.8620	4.1023

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 14 as below.

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Currency	Loan	Interest	Maturity date
	(Million)	(Percent per annum)	
<b>As at 30 September 2019</b>			
Baht	38.1	Exchange of interest at BIBOR 3 month to interest at 2.41 per annum	7 October 2019
<b>As at 31 December 2018</b>			
Baht	40.4	Exchange of interest at BIBOR 3 month to interest at 2.41 per annum	7 January 2019

## 21. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 5 November 2019.