

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

Condensed Interim financial statements
for the three-month and six-month period ended 30 June 2021

and

Independent Auditor's Report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of SAAM Energy Development Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 30 June 2021, the consolidated and separate statements of comprehensive income for the three-month and the six-month period ended 30 June 2021, the consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial information of SAAM Energy Development Public Company Limited and its subsidiaries, and of SAAM Energy Development Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

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 34, "Interim Financial Reporting".

(Pitinan Lilamethwat)
Certified Public Accountant
Registration No. 11133

PKF Audit (Thailand) Ltd.
Bangkok
4 August 2021

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2021

| | Note | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------|---|-------------------------------|---|-------------------------------|
| | | 30 June 2021 (Unaudited but reviewed) | 31 December 2020 (Audited) | 30 June 2021 (Unaudited but reviewed) | 31 December 2020 (Audited) |
| <i>(in thousand Baht)</i> | | | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 120,393 | 101,097 | 94,469 | 68,624 |
| Short-term investments | 6 | 5,531 | 21,651 | - | 21,651 |
| Trade and other current receivables | 7 | 36,948 | 8,089 | 39,697 | 10,390 |
| Project in progress | 8 | 10,501 | 10,586 | - | - |
| Short-term loans to related parties | 4 | - | - | 29,785 | 29,384 |
| Other current assets | | 3,678 | 4,294 | 478 | 1,084 |
| Total current assets | | 177,051 | 145,717 | 164,429 | 131,133 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 9 | - | - | 123,660 | 123,660 |
| Investment properties | 10 | 82,495 | 82,495 | - | - |
| Property, plant and equipment | 11 | 115,356 | 118,470 | 3,655 | 4,130 |
| Right-of-use assets | 12 | 34,574 | 36,472 | 11,893 | 12,946 |
| Intangible assets | | 60 | 68 | 56 | 63 |
| Deposit of purchase equipment | 21.1 | 25,845 | 24,382 | - | - |
| Deferred tax assets | | 342 | 477 | 251 | 409 |
| Other non-current assets | | 1,628 | 1,657 | 241 | 241 |
| Total non-current assets | | 260,300 | 264,021 | 139,756 | 141,449 |
| Total assets | | 437,351 | 409,738 | 304,185 | 272,582 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2021

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|---|-------------------------------|---|-------------------------------|
| | | 30 June 2021 (Unaudited but reviewed) | 31 December 2020 (Audited) | 30 June 2021 (Unaudited but reviewed) | 31 December 2020 (Audited) |
| Liabilities and shareholders' equity | | <i>(in thousand Baht)</i> | | | |
| Current liabilities | | | | | |
| Trade and other current payables | 13 | 1,981 | 2,611 | 510 | 673 |
| Unearned revenue | 14 | 26,010 | - | 26,010 | - |
| Current portion of liabilities under lease agreements | 15 | 3,303 | 3,242 | 1,940 | 1,908 |
| Current portion of long-term loans from financial institution | 16 | 18,614 | 18,226 | - | - |
| Corporate income tax payable | | 1,523 | 1,695 | 211 | - |
| Derivative liability | 21 | 144 | 442 | - | - |
| Other current liabilities | | 2,429 | 938 | 1,977 | 564 |
| Total current liabilities | | 54,004 | 27,154 | 30,648 | 3,145 |
| Non-current liabilities | | | | | |
| Liabilities under lease agreements - net of current portion | 15 | 22,029 | 23,832 | 8,418 | 9,522 |
| Long-term loans from financial institution - net of current portion | 16 | 54,557 | 64,223 | - | - |
| Non-current provisions for employee benefits | | 1,769 | 1,612 | 1,541 | 1,403 |
| Total non-current liabilities | | 78,355 | 89,667 | 9,959 | 10,925 |
| Total liabilities | | 132,359 | 116,821 | 40,607 | 14,070 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2021

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-------------------------|--------------------------------------|-------------------------|
| | <u>30 June 2021</u> | <u>31 December 2020</u> | <u>30 June 2021</u> | <u>31 December 2020</u> |
| | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| <i>(in thousand Baht)</i> | | | | |
| 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 | 3,651 | 3,651 | 3,651 | 3,651 |
| Unappropriated | 52,623 | 40,454 | 10,227 | 5,161 |
| Other components of shareholders' equity | 412 | 495 | 281 | 281 |
| Equity attributable to owners of the Company | 305,416 | 293,330 | 263,578 | 258,512 |
| Non-controlling interests of the subsidiaries | (424) | (413) | - | - |
| Total shareholders' equity | 304,992 | 292,917 | 263,578 | 258,512 |
| Total liabilities and shareholders' equity | 437,351 | 409,738 | 304,185 | 272,582 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of income

For the three-month period ended 30 June 2021 (Unaudited but reviewed)

| | Note | | Consolidated financial statements | | Separate financial statements | |
|--|------|--|-----------------------------------|---------------|-------------------------------|--------------|
| | | | 2021 | 2020 | 2021 | 2020 |
| | | | <i>(in thousand Baht)</i> | | | |
| Revenues | | | | | | |
| Revenue from sale of goods | | | 4,445 | 4,659 | - | - |
| Revenue from rendering of services and rental | | | 13,731 | 13,731 | 2,898 | 2,857 |
| Dividend income from subsidiaries | 4 | | - | - | 3,500 | 3,500 |
| Net gain on exchange rate | | | 600 | - | 804 | - |
| Other income | | | 354 | 405 | 3,135 | 3,365 |
| Total revenues | | | 19,130 | 18,795 | 10,337 | 9,722 |
| Expenses | | | | | | |
| Cost of sales of goods | | | 1,530 | 1,524 | - | - |
| Costs of rendering of services and rental | | | 3,122 | 3,258 | 965 | 905 |
| Selling and service expenses | | | 56 | 55 | 55 | 55 |
| Administrative expenses | | | 5,017 | 4,080 | 3,968 | 3,487 |
| Net loss on exchange rate | | | - | 1,489 | - | 1,699 |
| Total expenses | | | 9,725 | 10,406 | 4,988 | 6,146 |
| Profit before finance cost and income tax expenses | | | 9,405 | 8,389 | 5,349 | 3,576 |
| Finance cost | | | (792) | (927) | (112) | (44) |
| Profit before income tax expenses | | | 8,613 | 7,462 | 5,237 | 3,532 |
| Income tax expenses | 17 | | (1,675) | (1,056) | (572) | (21) |
| Profit for the period | | | 6,938 | 6,406 | 4,665 | 3,511 |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | | | 6,947 | 6,409 | 4,665 | 3,511 |
| Non-controlling interests of the subsidiaries | | | (9) | (3) | - | - |
| | | | 6,938 | 6,406 | | |
| Basic earnings per share (Baht) | | | | | | |
| Profit attributable to equity holders of the Company | 18 | | 0.023 | 0.021 | 0.016 | 0.012 |
| Weighted average number of ordinary shares (Thousand shares) | | | 300,000 | 300,000 | 300,000 | 300,000 |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of comprehensive income
For the three-month period ended 30 June 2021 (Unaudited but reviewed)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--------------------------------------|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | <u>6,938</u> | <u>6,406</u> | <u>4,665</u> | <u>3,511</u> |
| Other comprehensive income: | | | | |
| <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 - net of income tax | <u>249</u> | <u>(891)</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>249</u> | <u>(891)</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>7,187</u> | <u>5,515</u> | <u>4,665</u> | <u>3,511</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>7,196</u> | <u>5,518</u> | <u>4,665</u> | <u>3,511</u> |
| Non-controlling interests of the subsidiaries | <u>(9)</u> | <u>(3)</u> | | |
| | <u>7,187</u> | <u>5,515</u> | | |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of income

For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|---------------|-------------------------------|---------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | <i>(in thousand Baht)</i> | | | |
| Revenues | | | | | |
| Revenue from sale of goods | | 9,368 | 9,433 | - | - |
| Revenue from rendering of services and rental | | 27,462 | 27,462 | 5,785 | 5,801 |
| Dividend income from subsidiaries | 4, 9 | - | - | 7,499 | 10,899 |
| Net gain on exchange rate | | 1,539 | 349 | - | 1,316 |
| Other income | | 698 | 658 | 6,286 | 6,600 |
| Total revenues | | 39,067 | 37,902 | 19,570 | 24,616 |
| Expenses | | | | | |
| Cost of sales of goods | | 3,102 | 3,082 | - | - |
| Costs of rendering of services and rental | | 6,261 | 6,575 | 1,996 | 1,815 |
| Selling and service expenses | | 111 | 109 | 110 | 109 |
| Administrative expenses | | 9,104 | 9,545 | 7,561 | 7,176 |
| Net loss on exchange rate | | - | - | 23 | - |
| Total expenses | | 18,578 | 19,311 | 9,690 | 9,100 |
| Profit before finance cost and income tax expenses | | 20,489 | 18,591 | 9,880 | 15,516 |
| Finance cost | | (1,638) | (1,962) | (235) | (77) |
| Profit before income tax expenses | | 18,851 | 16,629 | 9,645 | 15,439 |
| Income tax expenses | 17 | (2,792) | (2,895) | (679) | (934) |
| Profit for the period | | 16,059 | 13,734 | 8,966 | 14,505 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 16,069 | 13,763 | 8,966 | 14,505 |
| Non-controlling interests of the subsidiaries | | (10) | (29) | - | - |
| | | 16,059 | 13,734 | | |
| Basic earnings per share (Baht) | | | | | |
| Profit attributable to equity holders of the Company | 18 | 0.054 | 0.046 | 0.030 | 0.048 |
| Weighted average number of ordinary shares (Thousand shares) | | 300,000 | 300,000 | 300,000 | 300,000 |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of comprehensive income
For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------------|--------------------------------------|----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | <u>16,059</u> | <u>13,734</u> | <u>8,966</u> | <u>14,505</u> |
| Other comprehensive income: | | | | |
| <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 - net of income tax | <u>(83)</u> | <u>935</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>(83)</u> | <u>935</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>15,976</u> | <u>14,669</u> | <u>8,966</u> | <u>14,505</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 15,986 | 14,698 | <u>8,966</u> | <u>14,505</u> |
| Non-controlling interests of the subsidiaries | <u>(10)</u> | <u>(29)</u> | | |
| | <u>15,976</u> | <u>14,669</u> | | |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| Consolidated financial statements | | | | | | | | | | |
|---|----------------------------------|---------------|--|----------------------------------|----------------|---|--|--|--|----------------|
| Equity attributable to owners of the Company | | | | | | | | | | |
| | Issued and paid up share capital | Share premium | Deficit on business combination under common control | Retained earnings | | Other components of equity | | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total equity |
| | | | | Appropriated - statutory reserve | Unappropriated | Exchange on translation of financial statements in foreign currency | Gain (loss) on remeasurements of defined benefit plans | | | |
| Note | <i>(in thousand Baht)</i> | | | | | | | | | |
| Balance as at 31 December 2019 - as reported | 150,000 | 99,419 | (689) | 2,551 | 40,373 | (1,524) | 267 | 290,397 | (360) | 290,037 |
| Impact of changes in accounting policies | - | - | - | - | (591) | - | - | (591) | - | (591) |
| Balance as at 1 January 2020 | 150,000 | 99,419 | (689) | 2,551 | 39,782 | (1,524) | 267 | 289,806 | (360) | 289,446 |
| Profit for the period | - | - | - | - | 13,763 | - | - | 13,763 | (29) | 13,734 |
| Other comprehensive income for the period | - | - | - | - | - | 935 | - | 935 | - | 935 |
| Total comprehensive income for the period | - | - | - | - | 13,763 | 935 | - | 14,698 | (29) | 14,669 |
| Dividend paid | - | - | - | - | (7,500) | - | - | (7,500) | - | (7,500) |
| Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries | - | - | - | - | - | - | - | - | (1) | (1) |
| Balance as at 30 June 2020 | 150,000 | 99,419 | (689) | 2,551 | 46,045 | (589) | 267 | 297,004 | (390) | 296,614 |
| Balance as at 1 January 2021 | 150,000 | 99,419 | (689) | 3,651 | 40,454 | 228 | 267 | 293,330 | (413) | 292,917 |
| Profit for the period | - | - | - | - | 16,069 | - | - | 16,069 | (10) | 16,059 |
| Other comprehensive income for the period | - | - | - | - | - | (83) | - | (83) | - | (83) |
| Total comprehensive income for the period | - | - | - | - | 16,069 | (83) | - | 15,986 | (10) | 15,976 |
| Dividend paid | - | - | - | - | (3,900) | - | - | (3,900) | - | (3,900) |
| Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries | - | - | - | - | - | - | - | - | (1) | (1) |
| Balance as at 31 June 2021 | 150,000 | 99,419 | (689) | 3,651 | 52,623 | 145 | 267 | 305,416 | (424) | 304,992 |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| Separate financial statements | | | | | | |
|---|-----------------------|---------------|-------------------------------------|----------------|---|-----------------|
| | Issued and paid up | | Retained earnings | | Gain (Loss) on remeasurements of defined benefit plans | Total equity |
| Note | share capital | Share premium | Appropriated - statutory reserve | Unappropriated | | |
| | | | <i>(in thousand Baht)</i> | | | |
| Balance as at 1 January 2020 | 150,000 | 99,419 | 2,551 | 7,425 | 281 | 259,676 |
| Total comprehensive income for the period | - | - | - | 14,505 | - | 14,505 |
| Dividend paid | - | - | - | (7,500) | - | (7,500) |
| Balance as at 30 June 2020 | 150,000 | 99,419 | 2,551 | 14,430 | 281 | 266,681 |
| Balance as at 1 January 2021 | 150,000 | 99,419 | 3,651 | 5,161 | 281 | 258,512 |
| Total comprehensive income for the period | - | - | - | 8,966 | - | 8,966 |
| Dividend paid | - | - | - | (3,900) | - | (3,900) |
| Balance as at 30 June 2021 | 150,000 | 99,419 | 3,651 | 10,227 | 281 | 263,578 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of cash flows

For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| | <i>Note</i> Consolidated financial statements | | Separate financial statements | |
|--|---|---------------|-------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit before tax | 18,851 | 16,629 | 9,645 | 15,439 |
| Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Unrealised (gain) loss on exchange rate | (1,539) | (409) | 23 | (1,376) |
| (Gain) loss on measurement of fair value of derivatives | (298) | 133 | - | - |
| Depreciation and amortisation | 5,027 | 4,756 | 1,535 | 1,259 |
| Write-off project in progress | 8 | 131 | - | - |
| Increase in provision for long-term employee benefits | 157 | 152 | 138 | 133 |
| Dividend income | 4 | - | (7,499) | (10,899) |
| Interest income | (296) | (598) | (453) | (780) |
| Interest expenses | 1,574 | 1,921 | 203 | 65 |
| Profit from operating activities before changes in operating assets and liabilities | 23,476 | 22,715 | 3,592 | 3,841 |
| Operating assets (increase) decrease | | | | |
| Trade and other current receivables | (28,951) | (676) | (29,236) | (1,354) |
| Other current assets | 13 | (166) | 2 | 2 |
| Other non-current assets | 29 | 29 | - | - |
| Operating liabilities increase (decrease) | | | | |
| Trade and other current payables | (511) | (1,055) | (163) | (324) |
| Unearned revenue | 26,010 | - | 26,010 | - |
| Other current liabilities | 1,491 | (726) | 1,413 | (759) |
| Cash flows from (used in) operating activities | 21,557 | 20,121 | 1,618 | 1,406 |
| Cash received from withholding tax refundable | 603 | 308 | 603 | 308 |
| Cash paid for income tax | (2,829) | (1,670) | (311) | (237) |
| Net cash flows from (used in) operating activities | 19,331 | 18,759 | 1,910 | 1,477 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2021 (Unaudited but reviewed)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------|-------------------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| <i>(in thousand Baht)</i> | | | | | |
| Cash flows from investing activities | | | | | |
| Payment for acquisition of vehicle, equipment and software computer | | (8) | (2,565) | - | (2,552) |
| Cash received from settlement of short-term loans to related parties | 4 | - | - | 1,500 | 6,180 |
| Payment to provide short-term loans to related parties | 4 | - | - | (1,930) | (1,500) |
| Dividend received from subsidiaries | 9 | - | - | 7,499 | 10,899 |
| Short-term investment (increases) decreases | | 16,120 | (6,073) | 21,651 | (573) |
| Cash received from interest income | | 388 | 609 | 391 | 705 |
| Net cash flows from (used in) investing activities | | 16,500 | (8,029) | 29,111 | 13,159 |
| Cash flows from financing activities | | | | | |
| Payment of liabilities under lease agreements | 15 | (1,742) | (1,796) | (1,072) | (1,214) |
| Cash paid to settle short-term loans from related parties | | - | - | - | (5,500) |
| Repayment of long-term loans from financial institution | 16 | (9,278) | (8,924) | - | - |
| Dividend paid | 20 | (3,900) | (7,500) | (3,900) | (7,500) |
| Cash paid for interest expenses | | (1,616) | (2,102) | (203) | (240) |
| Decrease in non-controlling interest of the subsidiaries from dividend payment | | (1) | (1) | - | - |
| Net cash flows from (used in) financing activities | | (16,537) | (20,323) | (5,175) | (14,454) |
| Effect of exchange rate changes on cash and cash equivalents | | 2 | 532 | - | - |
| Net increase (decrease) in cash and cash equivalents | | 19,296 | (9,061) | 25,846 | 182 |
| Cash and cash equivalents at beginning of period | | 101,097 | 51,894 | 68,624 | 17,845 |
| Cash and cash equivalents at end of period | | 120,393 | 42,833 | 94,470 | 18,027 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

1 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.

2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) 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 prepared to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of 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 English language interim financial statements have been translated from the Thai language financial statements.

2.1 Basis of consolidation

The interim consolidated financial statements include the financial statements of SAAM Energy Development Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (together referred to as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020 with no changes in the shareholding structure of subsidiaries during the current period.

2.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. However, this situation has no significant impact on the Group.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

3 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 2020.

4 Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in Note 9. Relationship with key management and other related parties were as follows:

| <u>Name of entities</u> | <u>Country of incorporation/ nationality</u> | <u>Nature of relationships</u> |
|--------------------------|--|---|
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |

During the periods, the Group 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 1.25 percent per annum (2020: 0.05 - 1.25 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.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

| | For the three-month period ended 30 June | | | |
|---|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Service income | - | - | 688 | 646 |
| Management income | - | - | 2,880 | 2,880 |
| Dividend income | - | - | 3,500 | 3,500 |
| Interest income | - | - | 92 | 100 |
| Interest expenses | - | - | - | 14 |
| <u>Transactions with key management</u> | | | | |
| Dividend paid | - | 1 | - | - |

| | For the six-month period ended 30 June | | | |
|---|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Service income | - | - | 1,364 | 1,379 |
| Management income | - | - | 5,760 | 5,760 |
| Dividend income (Note 9) | - | - | 7,499 | 10,899 |
| Interest income | - | - | 181 | 202 |
| Interest expenses | - | - | - | 31 |
| <u>Transactions with key management</u> | | | | |
| Dividend paid | - | 1 | - | - |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

As at 30 June 2021 and 31 December 2020, the balances of the accounts between the Company and those related companies are as follows:

| | Consolidated | | Separate | |
|--|---------------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts receivable - related parties | | | | |
| (Note 7) | | | | |
| Subsidiaries | - | - | 9,799 | 8,430 |
| Total trade accounts receivable | | | | |
| - related parties | - | - | 9,799 | 8,430 |

Accrued interest income - related parties

(Note 7)

| | | | | |
|-------------------------------|---|---|-----|----|
| Subsidiaries | - | - | 205 | 40 |
| Total accrued interest income | | | | |
| - related parties | - | - | 205 | 40 |

Short-term loans to related parties

As at 30 June 2021 and 31 December 2020, the balance of loans between the Company and those related companies and the movement are as follows:

| | Related | Separate financial statements | | | | Balance as at 30 June 2021 |
|---|------------|--------------------------------|---------------------------|----------|----------------------------------|----------------------------|
| | | Balance as at 31 December 2020 | During the period | | Unrealised loss on exchange rate | |
| Short-term loans to | by | | Increase | Decrease | | |
| | | | <i>(in thousand Baht)</i> | | | |
| SAAM International Limited | Subsidiary | 24,384 | 1,430 | - | (29) | 25,785 |
| SAAM Three Company Limited | Subsidiary | 5,000 | 500 | (1,500) | - | 4,000 |
| Total short-term loans to related parties | | 29,384 | 1,930 | (1,500) | (29) | 29,785 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-months periods ended 30 June 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

| | Consolidated / Separate financial statements | | | |
|------------------------------|--|-------|---|-------|
| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Short-term employee benefits | 1,170 | 1,230 | 2,540 | 2,574 |
| Post-employment benefits | 39 | 39 | 78 | 78 |
| Total | 1,209 | 1,269 | 2,618 | 2,652 |

5 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Cash | 99 | 89 | 20 | 11 |
| Bank deposits | 43,114 | 35,322 | 17,269 | 8,448 |
| Highly liquid short-term investments | 77,180 | 65,686 | 77,180 | 60,165 |
| Total | 120,393 | 101,097 | 94,469 | 68,624 |

As at 30 June 2021, bank deposits in saving accounts carried interest at 0.05 percent per annum (31 December 2020: 0.05 percent per annum). The highly liquid short-term investments are 1-month and 3-month fixed deposits at banks. The fixed deposits earn interest at 0.3 and 0.45 percent per annum (31 December 2020: 3-month fixed deposits, carried interest at 0.7 percent per annum) and will mature on 30 July 2021 and 30 September 2021, respectively.

6 Short-term investments

As at 30 June 2021, the Group has short-term investments which are fixed deposits at a bank. The fixed deposits carried interest at 0.6 percent per annum (31 December 2020: 0.9 percent per annum) and will mature on 30 March 2022.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

7 Trade and other current receivables

| | Consolidated | | Separate | |
|--|---------------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Trade accounts receivable - related parties</u> | | | | |
| (Note 4) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | - | - | 9,799 | 8,430 |
| Total trade accounts receivable | | | | |
| - related parties | - | - | 9,799 | 8,430 |
| <u>Trade accounts receivable - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 8,613 | 7,589 | 1,577 | 1,577 |
| Total trade accounts receivable | | | | |
| - unrelated parties | 8,613 | 7,589 | 1,577 | 1,577 |
| <u>Other receivables</u> | | | | |
| Post-dated check (Note 14) | 27,864 | - | 27,831 | - |
| Advance to employee | 10 | - | 10 | - |
| Accrued interest income - related parties | | | | |
| (Note 4) | - | - | 205 | 40 |
| Accrued interest income - unrelated parties | 8 | 100 | - | 100 |
| Prepaid expenses | 404 | 351 | 275 | 243 |
| Value added tax refundable | 49 | 49 | - | - |
| Total other receivables | 28,335 | 500 | 28,321 | 383 |
| Total | 36,948 | 8,089 | 39,697 | 10,390 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

8 Projects in progress

The net book value of projects in progress as at 30 June 2021 and 31 December 2020 is presented below.

| | Consolidated financial statements | | | | | |
|----------------------|-----------------------------------|---------------------|------------------------|---------------------|-------------------------|---------------------|
| | Cost | | Translation adjustment | | Project in progress-net | |
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| | <i>(in thousand Baht)</i> | | | | | |
| Grid application | 121 | 121 | 4 | 4 | 125 | 125 |
| Grid interconnection | 8,451 | 8,451 | (81) | (89) | 8,370 | 8,362 |
| Consultation fee | 1,583 | 1,583 | (16) | (17) | 1,567 | 1,566 |
| Others | 510 | 510 | (71) | 23 | 439 | 533 |
| Total | 10,665 | 10,665 | (164) | (79) | 10,501 | 10,586 |

During the current year, the subsidiary companies do not have expenses written off projects in progress (31 December 2020: Baht 0.13 million). This was presented in expenses in the consolidated income statement since the subsidiary companies considered that those projects did not have a future economic benefit.

9 Investments in subsidiaries

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

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Dividend received during the six-month period ended | |
|--------------------------------|---------------------------|---------------------|-------------------------|---------------------|---------------------------|---------------------|---|---------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| | <i>(in thousand Baht)</i> | | <i>(percent)</i> | | <i>(in thousand Baht)</i> | | | |
| SAAM One Co., Ltd. | 4,000 | 4,000 | 100 | 100 | 4,000 | 4,000 | 2,200 | 2,600 |
| SAAM Two Co., Ltd. | 1,500 | 1,500 | 100 | 100 | 1,500 | 1,500 | 1,799 | 1,799 |
| SAAM Three Co., Ltd. | 30,000 | 30,000 | 100 | 100 | 30,000 | 30,000 | - | 3,000 |
| SAAM Service Co., Ltd. | 2,250 | 2,250 | 100 | 100 | 2,250 | 2,250 | - | - |
| SAAM Solar Power One Co., Ltd. | 40,000 | 40,000 | 100 | 100 | 39,999 | 39,999 | 3,500 | 3,500 |
| SAAM Solar Power Two Co., Ltd. | 40,000 | 40,000 | 100 | 100 | 39,999 | 39,999 | - | - |
| SAAM International Limited | HKD 1.5 million | HKD 1.5 million | 100 | 100 | 5,912 | 5,912 | - | - |
| Total | | | | | 123,660 | 123,660 | 7,499 | 10,899 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

As at 30 June 2021, the subsidiary company has pledged its land which has net book value amounting to approximately Baht 82.5 million (31 December 2020: Baht 82.5 million) as collateral against credit facilities received from a financial institution as described in Note 16 to the financial statements.

11 Property, plant and equipment

Movements of property, plant and equipment account during the six-month period ended 30 June 2021 are summarised below.

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| | <i>(in thousand Baht)</i> | |
| Net book value as at 31 December 2020 | 118,470 | 4,130 |
| Acquisitions during period – at cost | 8 | - |
| Depreciation for period | <u>(3,122)</u> | <u>(475)</u> |
| Net book value as at 30 June 2021 | <u>115,356</u> | <u>3,655</u> |

As at 30 June 2021, certain items of plant and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 7.5 million (31 December 2020: Baht 7.5 million) (The Company only: Baht 4.5 million (31 December 2020: Baht 4.5 million)).

The subsidiaries have pledged their land and construction amounting to approximately Baht 109.8 million (31 December 2020: Baht 112.3 million) as collateral against credit facilities received from financial institutions as described in Note 16 to the financial statements.

12 Right-of-use assets

Movements of right-of-use assets account during the six-month period ended 30 June 2021 are summarised below

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| | <i>(in thousand Baht)</i> | |
| Net book value as at 31 December 2020 | 36,472 | 12,946 |
| Amortisation | <u>(1,898)</u> | <u>(1,053)</u> |
| Net book value as at 30 June 2021 | <u>34,574</u> | <u>11,893</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

13 Trade and other current payables

| | Consolidated | | Separate | |
|--------------------------|---------------------------|--------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts payable | 458 | 536 | 78 | 78 |
| Accrued expenses | 713 | 1,054 | 333 | 334 |
| Other payables | 143 | 304 | 11 | 159 |
| Accrued interest expense | 398 | 439 | - | - |
| Value added tax payable | 269 | 278 | 88 | 102 |
| Total | 1,981 | 2,611 | 510 | 673 |

14 Unearned revenue

As of 30 June 2021, the Company has unearned revenue in the form of a post-dated check received amounting to Baht 26 million for services to be provided according to a project development service agreement. The agreement was made on 14 May 2021 between the Company (service provider) and a third party company in Thailand (service receiver) for the development services of biomass power projects with an aggregate capacity of 100 Megawatt in Japan.

15 Lease liabilities

| | Consolidated | | Separate | |
|---|---------------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Lease liabilities | 30,102 | 32,341 | 11,952 | 13,226 |
| Less: Deferred interest expense | (4,770) | (5,267) | (1,594) | (1,796) |
| Total | 25,332 | 27,074 | 10,358 | 11,430 |
| Less: Current portion | (3,303) | (3,242) | (1,940) | (1,908) |
| Lease liabilities - net of current portion | 22,029 | 23,832 | 8,418 | 9,522 |

The Group has entered into office space and land lease agreements for use in their operation. The terms of the agreements are generally between 3 to 25 years.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

Future minimum lease payments required under the lease agreements were as follows:

| | Consolidated financial statements | | | |
|--|-----------------------------------|---------------|---------------|---------------|
| | 30 June 2021 | | | |
| | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| | <i>(in thousand Baht)</i> | | | |
| Future minimum lease payments | 4,218 | 13,024 | 12,860 | 30,102 |
| Deferred interest expenses | (915) | (2,618) | (1,237) | (4,770) |
| Present value of future minimum lease payments | <u>3,303</u> | <u>10,406</u> | <u>11,623</u> | <u>25,332</u> |
| | Separate financial statements | | | |
| | 30 June 2021 | | | |
| | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| | <i>(in thousand Baht)</i> | | | |
| Future minimum lease payments | 2,302 | 6,115 | 3,535 | 11,952 |
| Deferred interest expenses | (362) | (903) | (329) | (1,594) |
| Present value of future minimum lease payments | <u>1,940</u> | <u>5,212</u> | <u>3,206</u> | <u>10,358</u> |

Movements of lease account during the three-month and six-month period ended 30 June 2021 are summarised below.

| | Consolidated | Separate |
|---|---------------------------|----------------------|
| | financial statements | financial statements |
| | <i>(in thousand Baht)</i> | |
| <i>The three-month period ended 30 June 2021</i> | | |
| <i>Recognized in profit or loss</i> | | |
| Interest paid on lease liabilities | 246 | 101 |
| Expenses related to leases of low-value assets | 10 | 10 |
| | Consolidated | Separate |
| | financial statements | financial statements |
| | <i>(in thousand Baht)</i> | |
| <i>The six-month period ended 30 June 2021</i> | | |
| <i>Recognized in profit or loss</i> | | |
| Interest paid on lease liabilities | 497 | 203 |
| Expenses related to leases of low-value assets | 21 | 21 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the three-month period ended 30 June 2021 were Baht 1,742 thousand and Baht 1,072 thousand, respectively.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

16 Long-term loans from financial institution

The detail of long-term loans from financial institution as at 30 June 2021 and 31 December 2020 are summarised below:

| No. | Lender | Credit facilities (in million Baht) | Significant terms and conditions of loan agreements | | | Consolidated financial statements | |
|--|--------|--|---|---|--------------------------------------|------------------------------------|--|
| | | | Repayment term | Collateral | Interest rate (percent per annum) | 30 June 2021 (in thousand Baht) | 31 December 2020 (in thousand Baht) |
| <u>Subsidiaries</u> | | | | | | | |
| SAAM Three Co., Ltd. | | | | | | | |
| 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 | 12,004 | 17,343 |
| SAAM Solar Power One Co., Ltd. | | | | | | | |
| 2. | 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 | 61,167 | 65,106 |
| Total long-term loans from financial institution | | | | | | 73,171 | 82,449 |
| Less: current portion | | | | | | (18,614) | (18,226) |
| Long-term loans from financial institutions - net of current portion | | | | | | 54,557 | 64,223 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

Movements in the long-term loans account for the six-month period ended 30 June 2021 are summarised below.

| | Consolidated financial statements |
|---------------------------------------|---|
| | <i>(in thousand Baht)</i> |
| Balance as at 31 December 2020 | 82,449 |
| Less: Repayment | (9,278) |
| Balance as at 30 June 2021 | <u>73,171</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.

17 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 six-month period ended 30 June 2021 and 2020 are made up as follows:

| | For the three-month period ended 30 June | | | |
|---|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 1,634 | 1,047 | 522 | - |
| Deferred tax: | | | | |
| Relating to origination of temporary differences | 41 | 9 | 50 | 21 |
| Income tax expenses reported in the income statement | <u>1,675</u> | <u>1,056</u> | <u>572</u> | <u>21</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

| | For the six-month period ended 30 June | | | |
|---|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 2,657 | 1,980 | 522 | - |
| Deferred tax: | | | | |
| Relating to origination of temporary differences | 135 | 915 | 157 | 934 |
| Income tax expenses reported in the income statement | 2,792 | 2,895 | 679 | 934 |

18 Basic 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.

19 Segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2021 and 2020, respectively.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

| | For the three-month period ended 30 June | | | | | | | |
|---|--|---------------|-----------------------------|--------------|-----------------------------|-----------|-----------------------------------|---------------|
| | Development service | | Distribution of electricity | | Adjustments and eliminating | | Consolidated financial statements | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Revenue from sales, services and rental | 14,419 | 14,377 | 4,445 | 4,659 | (688) | (646) | 18,176 | 18,390 |
| Cost of sales, services and rental | (3,890) | (3,918) | (1,530) | (1,524) | 768 | 660 | (4,652) | (4,782) |
| Gross profit | <u>10,529</u> | <u>10,459</u> | <u>2,915</u> | <u>3,135</u> | <u>80</u> | <u>14</u> | <u>13,524</u> | <u>13,608</u> |
| Other income | | | | | | | 354 | 405 |
| Gain (loss) on exchange rate | | | | | | | 600 | (1,489) |
| Selling and servicing expenses | | | | | | | (56) | (55) |
| Administrative expenses | | | | | | | (5,017) | (4,080) |
| Finance cost | | | | | | | (792) | (927) |
| Income tax expenses | | | | | | | (1,675) | (1,056) |
| Non-controlling interests of the subsidiaries | | | | | | | 9 | 3 |
| Profit for the period | | | | | | | <u>6,947</u> | <u>6,409</u> |

| | For the six-month period ended 30 June | | | | | | | |
|---|--|---------------|---------------------------|--------------|-----------------------------|-----------|-----------------------------------|---------------|
| | Development service | | Distribute of electricity | | Adjustments and eliminating | | Consolidated financial statements | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Revenue from sales, services and rental | 28,826 | 28,841 | 9,368 | 9,433 | (1,364) | (1,379) | 36,830 | 36,895 |
| Cost of sales, services and rental | (7,705) | (7,970) | (3,102) | (3,082) | 1,444 | 1,395 | (9,363) | (9,657) |
| Gross profit | <u>21,121</u> | <u>20,871</u> | <u>6,266</u> | <u>6,351</u> | <u>80</u> | <u>16</u> | <u>27,467</u> | <u>27,238</u> |
| Other income | | | | | | | 698 | 658 |
| Gain (loss) on exchange rate | | | | | | | 1,539 | 349 |
| Selling and servicing expenses | | | | | | | (111) | (109) |
| Administrative expenses | | | | | | | (9,104) | (9,545) |
| Finance cost | | | | | | | (1,638) | (1,962) |
| Income tax expenses | | | | | | | (2,792) | (2,895) |
| Non-controlling interests of the subsidiaries | | | | | | | 10 | 29 |
| Profit for the period | | | | | | | <u>16,069</u> | <u>13,763</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

20 Dividends

The Company has dividend payment for six-month period ended 30 June 2021 in the amount as below.

| | Approved by | Dividends | | Paid on |
|--|---|-----------------------------------|----------------------------|-------------|
| | | Total <i>(in Million Baht)</i> | Per share <i>(Baht)</i> | |
| 2021 | | | | |
| Interim dividend paid from the Company's operating results of fiscal year ended 31 December 2020 | Annual General Meeting of shareholders on 23 April 2021 | 3.9 | 0.013 | 14 May 2021 |
| Total dividends paid for the six-month period ended 30 June 2021 | | <u>3.9</u> | <u>0.013</u> | |

The Company has dividend payment for six-month period ended 30 June 2020 in the amount as below.

| | Approved by | Dividends | | Paid on |
|--|--|-----------------------------------|----------------------------|---------------|
| | | Total <i>(in Million Baht)</i> | Per share <i>(Baht)</i> | |
| 2020 | | | | |
| Interim dividend paid from the Company's operating results of fiscal year ended 31 December 2019 and retained earnings | Board of Director Meeting on 10 April 2020 | 7.5 | 0.025 | 24 April 2020 |
| Total dividends paid for the six-month period ended 30 June 2020 | | <u>7.5</u> | <u>0.025</u> | |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2021 (Unaudited but reviewed)

21 Financial instruments

21.1 Interest rate risk

The Group exposure to interest rate risk relates primarily to its cash at banks and borrowings. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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 loan from bank as described in Note 16 to mitigate interest rate risk as below.

| Consolidated Financial Statements | | | |
|-----------------------------------|-------------------|---|----------------|
| Currency | Loan | Interest | Maturity date |
| | (in million Baht) | (Percent per annum) | |
| As at 30 June 2021 | | | |
| Baht | 32 | Exchange of interest at BIBOR 3 month to interest at 2.41 percent per annum | 7 July 2021 |
| As at 31 December 2020 | | | |
| Baht | 34 | Exchange of interest at BIBOR 3 month to interest at 2.41 percent per annum | 7 January 2021 |

21.2 Foreign currency risk

The Group exposure to foreign currency risk arises mainly from services, loans and purchases of equipment that are denominated in foreign currencies.

As at 30 June 2021 and 31 December 2020, 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 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| | (in million Baht) | | | | (Baht per 1 foreign currency unit) | |
| Financial assets | | | | | | |
| US dollar | 0.7 | 0.7 | - | - | 31.8847 | 29.8674 |
| Yen | - | - | 124.8 | 114.4 | 0.2865 | 0.2869 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to the condensed interim financial statements

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21.3 Fair value of Financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

The carrying value and fair value of interest rate swap contract as at 30 June 2021 is presented below.

| | Consolidated financial statements at 30 June 2021 | |
|-----------------------------|---|------------|
| | Carrying amount | Fair Value |
| | Fair value through profit or loss | |
| | <i>(in thousand Baht)</i> | |
| Derivative liability | | |
| Interest rate swap contract | 144 | 144 |

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables, accounts payables, loan to and loan from related parties, their carrying amounts in the statements of financial position approximate their fair values.
- b) For interest rate swap contract, its fair value is estimated by discounting expected future cash flow and a valuation model. Most of the inputs used for the valuation are observable in the relevant market.

During the current period, there was no transfer within the fair value hierarchy.

22 Commitments and contingencies

The Group have commitments and contingent liabilities other than those disclosed in other notes as follows;

22.1 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 Amphur 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 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

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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 June 2021, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (31 December 2020: Baht 4.8 million). The subsidiary presented this construction cost under “Construction in progress” amounting to Baht 3.5 million (31 December 2020: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (31 December 2020: 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 2020: 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 June 2021, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 23.1 million (31 December 2020: Baht 21.6 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 2020: 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. Therefore on 25 October 2019, the subsidiary company lodged an appeal against the Central Administrative Court’s verdict with the Supreme Administrative Court.

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However, during the year ended 31 December 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 as "Asset under construction" under Property Plant and Equipment.

Currently, the lawsuit is under the consideration of the Supreme Administrative Court. 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 June 2021, the Group's management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

22.2 Commitment for sell and purchase of land agreement

SAAM Three Co., Ltd., a subsidiary company, entered into an agreement to sell and to purchase land with a third party who was an owner of the land where the solar power plant of SAAM Solar Power Two Co.,Ltd. will be located in, which currently the lawsuit has not been finalised as mentioned in Note 22.1. This causes sell and purchase of land agreement has been postponed. To maintain the rights under the sell and purchase agreement, the subsidiary agreed to pay to the land owner the rental amounting to Baht 0.3 million per year as a compensation until the lawsuit is finalised (31 December 2020: Baht 0.3 million). Under the sell and purchase of land agreement, the subsidiary is obligated to purchase the land at a total cost Baht 14.6 million (31 December 2020: Baht 14.6 million).

22.3 Operating lease commitment

The Company entered into a three-year agreement with respect to equipment rental and related facility service for the Group operation. This agreement will expire in January 2022. The Company is obliged to pay a monthly rental and service fee of approximately Baht 3,500. (31 December 2020: 3,500 Baht).

22.4 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 2020: Baht 0.2 million).

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The Company entered into a long-term agreement with a third party for providing rental management services. This agreement will expire in 2022. The Company is obliged to pay a monthly service fee totaling approximately Baht 0.05 million (31 December 2020: Baht 0.05 million).

23 Events after the reporting period

Change of the Company's name

On 15 July 2021, the Board of Director meeting passed a resolution approving the change of the Company's name from "SAAM Energy Development Public Company Limited" to "SAAM Development Public Company Limited".

Increase of registered capital and allotment of warrant

On 15 July 2021, the Board of Director meeting passed a resolution approving the increase of registered capital amounting from Baht 150,000,000 (300,000,000 shares with a Baht 0.5 par value) to Baht 180,000,000 (360,000,000 shares with a Baht 0.5 par value) by issuance and allocation of SAAM-W1 and SAAM-W2 warrants to existing shareholders of the Company as below:

- 1) SAAM-W1 warrant of the amount not exceeding 30,000,000 units with a term of 1 year at the price of THB 0 (Nil) per unit to existing shareholders proportionate to their respective shareholding at the allocation ratio of 10 existing ordinary shares to 1 unit of warrants. 1 unit of SAAM-W1 warrant has right to exercise 1 ordinary share of the Company (with the par value of THB 0.50 per share) at the exercise price of THB 7.50 per share (except for the case of rights adjustment).
- 2) SAAM-W2 warrant of the amount not exceeding 30,000,000 units with a term of 3 year at the price of THB 0 (Nil) per unit to existing shareholders proportionate to their respective shareholding at the allocation ratio of 10 existing ordinary shares to 1 unit of warrants. 1 unit of SAAM-W2 warrant has right to exercise 1 ordinary share of the Company (with the par value of THB 0.50 per share) at the exercise price of THB 11 per share (except for the case of rights adjustment).

However, the provision of such right is uncertain as it is subject to the approval of the Extraordinary General Meeting No. 01/2564.

24 Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 4 August 2021.