

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2020

and

Independent Auditor's Report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of SAAM Energy Development Public Company Limited and its subsidiaries, and of SAAM Energy Development Public Company Limited, respectively, as at 30 September 2020; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2020, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2020; and condensed notes ("interim financial information"). 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 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 34, "Interim Financial Reporting".

Other Matter

The consolidated and separate statements of financial position of SAAM Energy Development Public Company Limited and its subsidiaries, and of SAAM Energy Development Public Company Limited as at 31 December 2019, which are included as comparative information, were audited by another auditor whose report dated 17 February 2020 expressed an unqualified opinion on those statements. Furthermore, the consolidated and separate statements of comprehensive income, changes in equity and cash flows of SAAM Energy Development Public Company Limited and its subsidiaries, and of SAAM Energy Development Public Company Limited, for the three-month and nine-month periods ended 30 September 2019, which are included as comparative information, were reviewed by another auditor, whose report dated 5 November 2019 expressed an unmodified conclusion on those statements.

(Pitinan Lilamethwat)
Certified Public Accountant
Registration No. 11133

PKF Audit (Thailand) Ltd.
Bangkok
3 November 2020

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SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--|------------------|--------------------------------------|------------------|
| | | 30 September 2020 | 31 December 2019 | 30 September 2020 | 31 December 2019 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| | | <i>(in thousand Baht)</i> | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 55,473 | 51,894 | 29,682 | 17,845 |
| Short-term investment | 6 | 67,150 | 81,078 | 61,650 | 81,078 |
| Trade and other receivables | 7 | 8,902 | 8,736 | 10,562 | 8,212 |
| Project in progress | 8 | 10,917 | 10,176 | - | - |
| Current portion of prepaid land rental expense | | - | 96 | - | - |
| Short-term loans to related parties | 4 | - | - | 28,777 | 31,204 |
| Other current assets | | 5,216 | 4,933 | 1,475 | 1,489 |
| Total current assets | | 147,658 | 156,913 | 132,146 | 139,828 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 9 | - | - | 123,660 | 123,660 |
| Prepaid land rental expense - net of current portion | | - | 8,115 | - | - |
| Investment properties | 10 | 82,495 | 82,495 | - | - |
| Property, plant and equipment | 11 | 120,051 | 122,141 | 4,370 | 2,473 |
| Right-of-use assets | 12 | 37,412 | - | 13,463 | - |
| Intangible assets | | 74 | 75 | 69 | 70 |
| Deposit of purchase equipment | 21.1 | 25,558 | 24,462 | - | - |
| Deferred tax assets | | 465 | 1,941 | 368 | 1,859 |
| Other non-current assets | | 1,683 | 4,589 | 241 | 1,688 |
| Total non-current assets | | 267,738 | 243,818 | 142,171 | 129,750 |
| Total assets | | 415,396 | 400,731 | 274,317 | 269,578 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--|-------------------------------|--|-------------------------------|
| | | 30 September 2020 (Unaudited but reviewed) | 31 December 2019 (Audited) | 30 September 2020 (Unaudited but reviewed) | 31 December 2019 (Audited) |
| Liabilities and shareholders' equity | | | | | |
| <i>(in thousand Baht)</i> | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 13 | 2,068 | 3,862 | 443 | 1,410 |
| Short-term loan from related party | 4 | - | - | - | 5,500 |
| Current portion of liabilities under lease agreements | 14 | 3,274 | - | 1,952 | - |
| Current portion of long-term loans from financial institutions | 15 | 18,038 | 17,484 | - | - |
| Derivative liability | 20.3 | 598 | - | - | - |
| Corporate income tax payable | | 806 | 1,658 | - | - |
| Other current liabilities | | 1,642 | 1,310 | 1,258 | 904 |
| Total current liabilities | | 26,426 | 24,314 | 3,653 | 7,814 |
| Non-current liabilities | | | | | |
| Liabilities under lease agreements - net of current portion | 14 | 24,638 | - | 9,995 | - |
| Long-term loans from financial institutions - net of current portion | 15 | 68,734 | 82,449 | - | - |
| Provision for long-term employee benefits | | 2,105 | 1,877 | 1,532 | 1,332 |
| Other non-current liabilities - rental payable | | - | 2,054 | - | 756 |
| Total non-current liabilities | | 95,477 | 86,380 | 11,527 | 2,088 |
| Total liabilities | | 121,903 | 110,694 | 15,180 | 9,902 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

| | Consolidated financial statements | | Separate financial statements | |
|---|---|--------------------------------------|---|--------------------------------------|
| | 30 September 2020 (Unaudited but reviewed) | 31 December 2019 (Audited) | 30 September 2020 (Unaudited but reviewed) | 31 December 2019 (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 | 2,551 | 2,551 | 2,551 | 2,551 |
| Unappropriated | 42,514 | 40,640 | 7,167 | 7,706 |
| Other components of shareholders' equity | 89 | (1,524) | - | - |
| Equity attributable to owners of the Company | 293,884 | 290,397 | 259,137 | 259,676 |
| Non-controlling interests of the subsidiaries | (391) | (360) | - | - |
| Total shareholders' equity | 293,493 | 290,037 | 259,137 | 259,676 |
| Total liabilities and shareholders' equity | 415,396 | 400,731 | 274,317 | 269,578 |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of income
For the three-month period ended 30 September 2020 (Unaudited but reviewed)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--|---------------|--------------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | <i>(in thousand Baht)</i> | | | |
| Revenues | | | | | |
| Revenue from sale of goods | | 4,333 | 4,037 | - | - |
| Revenue from rendering of services and rental | | 13,730 | 13,730 | 2,901 | 3,061 |
| Dividend income from subsidiaries | 4 | - | - | 1,400 | 5,104 |
| Unrealised gain on exchange rate | | 562 | - | 1,416 | - |
| Other income | | 430 | 538 | 3,184 | 3,514 |
| Total revenues | | 19,055 | 18,305 | 8,901 | 11,679 |
| Expenses | | | | | |
| Cost of sales of goods | | 1,541 | 1,538 | - | - |
| Costs of rendering of services and rental | | 3,334 | 3,205 | 980 | 857 |
| Selling and service expenses | | 50 | 56 | 50 | 56 |
| Administrative expenses | | 4,304 | 9,103 | 3,720 | 3,532 |
| Unrealised loss on exchange rate | | - | 113 | - | 255 |
| Total expenses | | 9,229 | 14,015 | 4,750 | 4,700 |
| Profit before finance cost and income tax benefits (expenses) | | 9,826 | 4,290 | 4,151 | 6,979 |
| Finance cost | | (850) | (1,161) | (38) | (96) |
| Profit before income tax benefits (expenses) | | 8,976 | 3,129 | 4,113 | 6,883 |
| Income tax benefits (expenses) | 16 | (1,675) | (1,533) | (557) | (451) |
| Profit for the period | | 7,301 | 1,596 | 3,556 | 6,432 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 7,302 | 1,598 | 3,556 | 6,432 |
| Non-controlling interests of the subsidiaries | | (1) | (2) | | |
| | | 7,301 | 1,596 | | |
| Basic earnings per share (Baht) | | | | | |
| Profit attributable to equity holders of the Company | 17 | 0.024 | 0.005 | 0.012 | 0.021 |
| 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 September 2020 (Unaudited but reviewed)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------|--------------------------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | <u>7,301</u> | <u>1,596</u> | <u>3,556</u> | <u>6,432</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>678</u> | <u>(128)</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>678</u> | <u>(128)</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>7,979</u> | <u>1,468</u> | <u>3,556</u> | <u>6,432</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>7,980</u> | <u>1,470</u> | <u>3,556</u> | <u>6,432</u> |
| Non-controlling interests of the subsidiaries | <u>(1)</u> | <u>(2)</u> | | |
| | <u>7,979</u> | <u>1,468</u> | | |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of income
For the nine-month period ended 30 September 2020 (Unaudited but reviewed)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--|---------------|--------------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | <i>(in thousand Baht)</i> | | | |
| Revenues | | | | | |
| Revenue from sale of goods | | 13,766 | 12,856 | - | - |
| Revenue from rendering of services and rental | | 41,192 | 41,192 | 8,702 | 8,923 |
| Dividend income from subsidiaries | 4 | - | - | 12,299 | 8,099 |
| Gain on exchange rate | | 910 | - | 2,731 | - |
| Other income | | 1,088 | 1,078 | 9,784 | 8,755 |
| Total revenues | | 56,956 | 55,126 | 33,516 | 25,777 |
| Expenses | | | | | |
| Cost of sales of goods | | 4,623 | 4,568 | - | - |
| Costs of rendering of services and rental | | 9,909 | 9,605 | 2,795 | 2,594 |
| Selling and service expenses | | 159 | 165 | 159 | 165 |
| Administrative expenses | | 13,848 | 20,610 | 10,895 | 12,479 |
| Loss on exchange rate | | - | 1,354 | - | 1,059 |
| Total expenses | | 28,539 | 36,302 | 13,849 | 16,297 |
| Profit before finance cost and income tax benefits (expenses) | | 28,417 | 18,824 | 19,667 | 9,480 |
| Finance cost | | (2,812) | (3,571) | (115) | (248) |
| Profit before income tax benefits (expenses) | | 25,605 | 15,253 | 19,552 | 9,232 |
| Income tax benefits (expenses) | 16 | (4,570) | (3,389) | (1,491) | (205) |
| Profit for the period | | 21,035 | 11,864 | 18,061 | 9,027 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 21,065 | 11,890 | 18,061 | 9,027 |
| Non-controlling interests of the subsidiaries | | (30) | (26) | | |
| | | 21,035 | 11,864 | | |
| Basic earnings per share (Baht) | | | | | |
| Profit attributable to equity holders of the Company | 17 | 0.070 | 0.040 | 0.060 | 0.030 |
| 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 nine-month period ended 30 September 2020 (Unaudited but reviewed)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--------------------------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | <u>21,035</u> | <u>11,864</u> | <u>18,061</u> | <u>9,027</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>1,613</u> | <u>(509)</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>1,613</u> | <u>(509)</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>22,648</u> | <u>11,355</u> | <u>18,061</u> | <u>9,027</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>22,678</u> | <u>11,381</u> | <u>18,061</u> | <u>9,027</u> |
| Non-controlling interests of the subsidiaries | <u>(30)</u> | <u>(26)</u> | | |
| | <u>22,648</u> | <u>11,355</u> | | |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2020 (Unaudited but reviewed)

| Consolidated financial statements | | | | | | | | | | |
|---|------|--------------------|---------------|--|----------------------------------|----------------|---|--|--|----------------|
| Equity attributable to owners of the Company | | | | | | | | | | |
| | Note | Issued and paid up | | Deficit on business combination under common control | Retained earnings | | Exchange on translation of financial statements in foreign currency | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total equity |
| | | share capital | Share premium | | Appropriated - statutory reserve | Unappropriated | | | | |
| <i>(in thousand Baht)</i> | | | | | | | | | | |
| Balance as at 1 January 2019 | | 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 | | - | - | - | 130 | (130) | - | - | - | - |
| Dividend paid | 19 | - | - | - | - | (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 |
| Balance as at 31 December 2019 - as reported | | 150,000 | 99,419 | (689) | 2,551 | 40,640 | (1,524) | 290,397 | (360) | 290,037 |
| Impact of changes in accounting policies | 2.3 | - | - | - | - | (591) | - | (591) | - | (591) |
| Balance as at 1 January 2020 | | 150,000 | 99,419 | (689) | 2,551 | 40,049 | (1,524) | 289,806 | (360) | 289,446 |
| Profit for the period | | - | - | - | - | 21,065 | - | 21,065 | (30) | 21,035 |
| Other comprehensive income for the period | | - | - | - | - | - | 1,613 | 1,613 | - | 1,613 |
| Total comprehensive income for the period | | - | - | - | - | 21,065 | 1,613 | 22,678 | (30) | 22,648 |
| Dividend paid | 19 | - | - | - | - | (18,600) | - | (18,600) | - | (18,600) |
| Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries | | - | - | - | - | - | - | - | (1) | (1) |
| Balance as at 30 September 2020 | | 150,000 | 99,419 | (689) | 2,551 | 42,514 | 89 | 293,884 | (391) | 293,493 |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2020 (Unaudited but reviewed)

| | | Separate financial statements | | | | |
|---------------------------|---|--------------------------------------|-------------------|-------------------------------------|----------------|----------------|
| | | Issued and paid up | Retained earnings | | Total | |
| <i>Note</i> | | share capital | Share premium | Appropriated - statutory reserve | Unappropriated | equity |
| <i>(in thousand Baht)</i> | | | | | | |
| | Balance as at 1 January 2019 | 150,000 | 99,419 | 1,976 | 19,393 | 270,788 |
| | Profit for the period | - | - | - | 9,027 | 9,027 |
| | Total comprehensive income for the period | - | - | - | 9,027 | 9,027 |
| | Transferred unappropriated retained earnings to statutory reserve | - | - | 130 | (130) | - |
| <i>19</i> | Dividend paid | - | - | - | (15,000) | (15,000) |
| | Balance as at 30 September 2019 | 150,000 | 99,419 | 2,106 | 13,290 | 264,815 |
| | Balance as at 1 January 2020 | 150,000 | 99,419 | 2,551 | 7,706 | 259,676 |
| | Profit for the period | - | - | - | 18,061 | 18,061 |
| | Total comprehensive income for the period | - | - | - | 18,061 | 18,061 |
| | Dividend paid | - | - | - | (18,600) | (18,600) |
| <i>19</i> | Balance as at 30 September 2020 | 150,000 | 99,419 | 2,551 | 7,167 | 259,137 |

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2020 (Unaudited but reviewed)

| | <i>Note</i> consolidated financial statements | | separate financial statements | |
|--|---|---------------|-------------------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit before tax | 25,605 | 15,253 | 19,552 | 9,232 |
| Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Unrealised (gain) loss on exchange rate | (1,097) | 1,324 | (2,792) | 1,059 |
| Loss on measurement of fair value of derivatives | 6 | - | - | - |
| Amortisation of prepaid land rental expense | - | 72 | - | - |
| Depreciation and amortisation | 7,202 | 4,306 | 1,938 | 332 |
| Write-off project in progress | 8 | 131 | - | - |
| Gain on disposal of equipment | (206) | - | - | - |
| Allowance for impairment of power plant under construction | 11 | - | 4,562 | - |
| Write-off withholding tax deducted at source | - | 127 | - | - |
| Increase in provision for long-term employee benefits | 228 | 334 | 200 | 296 |
| Dividend income | 4, 9 | - | - | (12,299) |
| Interest income | (768) | (945) | (1,029) | (1,175) |
| Interest expenses | 2,749 | 3,416 | 93 | 152 |
| Profit from operating activities before changes in operating assets and liabilities | 33,850 | 28,449 | 5,663 | 1,797 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (444) | (391) | (1,947) | (2,268) |
| Project in progress | - | (29) | - | - |
| Other current assets | (274) | 416 | 21 | 317 |
| Other non-current assets | 38 | 43 | - | - |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (1,563) | (1,818) | (792) | (1,129) |
| Other current liabilities | 332 | (833) | 354 | (752) |
| Other non-current liabilities | - | 69 | - | 24 |
| Cash flows from (used in) operating activities | 31,939 | 25,906 | 3,299 | (2,011) |
| Cash received from withholding tax refundable | 308 | 737 | 308 | 517 |
| Cash paid for income tax | (4,262) | (4,516) | (314) | (438) |
| Net cash flows from (used in) operating activities | 27,985 | 22,127 | 3,293 | (1,932) |

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the nine-month period ended 30 September 2020 (Unaudited but reviewed)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| <i>(in thousand Baht)</i> | | | | | |
| Cash flows from investing activities | | | | | |
| Current investment increase (decrease) | | 13,927 | (100,000) | 19,427 | (100,000) |
| Payment for acquisition of vehicle, equipment and software computer | | (2,615) | (247) | (2,601) | (97) |
| Proceed from disposal of equipment | | 207 | - | - | - |
| Cash received from settlement of short-term loans to related parties | 4 | - | - | 9,180 | - |
| Payment to provide short-term loans to related parties | 4 | - | - | (4,500) | (9,448) |
| Cash received from interest income | | 645 | 224 | 777 | 191 |
| Dividend received from subsidiaries | 4, 9 | - | - | 12,299 | 8,099 |
| Cash paid for share incremental in subsidiaries | 9 | - | - | - | (1,250) |
| Net cash flows from (used in) investing activities | | 12,164 | (100,023) | 34,582 | (102,505) |
| Cash flows from financing activities | | | | | |
| Payment of liabilities under lease agreements | 14 | (2,569) | - | (1,670) | - |
| Repayment of long-term loans from related parties | 4 | - | - | (5,500) | (14,210) |
| Repayment of long-term loans from financial institution | 15 | (13,161) | (27,298) | - | - |
| Cash paid for interest expenses | | (2,980) | (3,506) | (268) | (145) |
| Cash paid for direct costs related to share offering | | - | (3,683) | - | (3,683) |
| Dividend paid | 19 | (18,600) | (15,000) | (18,600) | (15,000) |
| Decrease in non-controlling interest of the subsidiaries from dividend payment | | (1) | (1) | - | - |
| Net cash flows from (used in) financing activities | | (37,311) | (49,488) | (26,038) | (33,038) |
| Effect of exchange rate changes on cash and cash equivalents | | 741 | (144) | - | - |
| Net increase (decrease) in cash and cash equivalents | | 3,579 | (127,528) | 11,837 | (137,475) |
| Cash and cash equivalents at beginning of period | | 51,894 | 163,994 | 17,845 | 145,566 |
| Cash and cash equivalents at end of period | | 55,473 | 36,466 | 29,682 | 8,091 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

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SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(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”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019 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 Company and its subsidiaries.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

Nevertheless, the Company and its subsidiaries '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.

2.3 New financial reporting standards

Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted all the revised financial reporting standards and interpretations that are effective for annual periods beginning on or after 1 January 2020.

From 1 January 2020, the Company and its subsidiaries has initially applied TFRS - Financial instruments standards and TFRS 16 Leasing. Impact of changes in accounting policies on shareholders' equity are as follows:

| | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | Retained earnings <i>(in thousand Baht)</i> | Retained earnings |
| At 31 December 2019 - as reported | 43,191 | 10,257 |
| <i>Decrease due to:</i> | | |
| Adoption of TFRS - Interest rate swap contract | (591) | - |
| At 1 January 2020 - restated | 42,600 | 10,257 |

2.3.1. TFRS - Financial instruments standards

The Company and its subsidiaries have adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Company and its subsidiaries did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

2.3.1.1. Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Company and its subsidiaries recognised interest income and interest expenses at the rate specified in the contract.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Company and its subsidiaries recognised the derivatives when they were exercised.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Company's and its subsidiaries's financial assets and financial liabilities as at 1 January 2020.

| Consolidated financial statements | | | | | |
|--|---------------------|--|---|--|-------------------------|
| Classification under previous standards at 31 December 2019 | | Classification under TFRS 9 at 1 January 2020 | | | |
| | Carrying amounts | Fair value - applied hedge accounting | Fair value through profit or loss <i>(in thousand Baht)</i> | Fair value through other comprehensive income | Amortised cost - net |
| Derivative liability | - | - | 591 | - | - |
| Total | - | - | 591 | - | - |

The Company and its subsidiaries intend to hold derivative contract - interest rate swap (Note 20) for the strategic purposes. The Company and its subsidiaries have designated them as measured at FVTPL.

SAAM Energy Development Public Company Limited and its subsidiaries

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(Unaudited but reviewed)

2.3.1.2. Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Company and its subsidiaries estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

2.3.2. TFRS 16 Leases

From 1 January 2020, the Company and its subsidiaries have initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease using the modified retrospective approach.

Previously, the Company and its subsidiaries, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Company and its subsidiaries assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Company and its subsidiaries allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Company and its subsidiaries recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases were changed because the Company and its subsidiaries recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Company and its subsidiaries also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

| | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | <i>(in thousand Baht)</i> | |
| <i>Impact from the adoption of TFRS 16</i> | | |
| <i>At 1 January 2020</i> | | |
| Increase in right-of-use assets | 39,908 | 14,696 |
| Decrease in deposit of land rental | (2,868) | (1,448) |
| Decrease in prepaid land rental | (8,211) | - |
| Decrease in other non-current asset - prepaid rental | (401) | (387) |
| Increase in lease liabilities | (30,482) | (13,617) |
| Decrease in other non-current liabilities - rental payable | 2,054 | 756 |

The lease commitment as disclosed at 31 December 2019 are as follows;

- a) The Group 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 or the end of the service agreements.
- b) 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 2022.

All the lease commitments, stated above, are included in measurement of lease liabilities as below.

| | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | <i>(in thousand Baht)</i> | |
| <i>Measurement of lease liability</i> | | |
| Operating lease commitment as disclosed at 31 December 2019 | 35,929 | 14,514 |
| Extension and termination options reasonably certain to be exercised | 513 | 1,009 |
| Future minimum lease payments | 36,442 | 15,523 |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020 | 30,482 | 13,617 |
| Lease liabilities recognised at 1 January 2020 | 30,482 | 13,617 |
| Weighted-average incremental borrowing rate (<i>% per annum</i>) | 3.67 | 3.44 |

Right-of-use assets and lease liabilities shown above were presented as part of renewable energy project segments.

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 2019, other than in respect of new financial reporting standards adopted as shown in Note 2.3.

SAAM Energy Development Public Company Limited and its subsidiaries

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For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

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 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 1.25 percent per annum (2019: 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.
4. The price of sale of fixed asset is the mutual agreed price.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

| | For the three-month period ended 30 September | | | |
|---|---|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Service income | - | - | 691 | 850 |
| Management income | - | - | 2,880 | 2,880 |
| Dividend income | - | - | 1,400 | 5,104 |
| Interest income | - | - | 90 | 97 |
| Interest expenses | - | - | - | 18 |
| <u>Transactions with key management</u> | | | | |
| Sale of fixed asset | 220 | - | - | - |

| | For the nine-month period ended 30 September | | | |
|---|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Service income | - | - | 2,070 | 2,291 |
| Management income | - | - | 8,640 | 7,488 |
| Dividend income (Note 9) | - | - | 12,299 | 8,099 |
| Interest income | - | - | 292 | 263 |
| Interest expenses | - | - | 31 | 151 |
| <u>Transactions with related parties</u> | | | | |
| Dividend paid | 1 | 1 | - | - |
| <u>Transactions with key management</u> | | | | |
| Sale of fixed asset | 220 | - | - | - |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

As at 30 September 2020 and 31 December 2019, the balances of the accounts between the Company and those related companies are as follows:

| | Consolidated | | Separate | |
|--|---------------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 30 | 31 | 30 | 31 |
| | September | December | September | December |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Trade accounts receivable - related parties</u> | | | | |
| (Note 7) | | | | |
| Subsidiaries | - | - | 7,974 | 5,405 |
| Total trade accounts receivable | | | | |
| - related parties | - | - | 7,974 | 5,405 |
| <u>Accrued interest income - related parties</u> | | | | |
| (Note 7) | | | | |
| Subsidiaries | - | - | 713 | 533 |
| Total accrued interest income | | | | |
| - related parties | - | - | 713 | 533 |
| <u>Accrued interest expense - related parties</u> | | | | |
| (Note 13) | | | | |
| Subsidiaries | - | - | - | 174 |
| Total accrued interest expense | | | | |
| - related parties | - | - | - | 174 |
| Loans to related parties and loans from related parties | | | | |

As at 30 September 2020 and 31 December 2019, the balance of loans between the Company and those related companies and the movement are as follows:

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

Short-term loans to related party

| Short-term loans to | Related by | Separate financial statements | | | | Balance as at 30 September 2020 |
|----------------------------|------------|--------------------------------------|-------------------|----------------|--|---------------------------------------|
| | | Balance as at 31 December 2019 | During the period | | Unrealised gain on exchange rate | |
| | | | Increase | Decrease | | |
| <i>(in thousand Baht)</i> | | | | | | |
| SAAM International Limited | Subsidiary | 26,704 | - | (4,680) | 2,253 | 24,277 |
| SAAM Three Company Limited | Subsidiary | 4,500 | 4,500 | (4,500) | - | 4,500 |
| Total | | 31,204 | 4,500 | (9,180) | 2,253 | 28,777 |

Short-term loans from related party

| Short-term loans from | Related by | Separate financial statements | | | Balance as at 30 September 2020 |
|--------------------------------|------------|--------------------------------------|-------------------|----------------|---------------------------------------|
| | | Balance as at 31 December 2019 | During the period | | |
| | | | Increase | Decrease | |
| <i>(in thousand Baht)</i> | | | | | |
| SAAM Solar Power Two Co., Ltd. | Subsidiary | 5,500 | - | (5,500) | - |
| Total | | 5,500 | - | (5,500) | - |

Directors and management's benefits

During the three-month and nine-month period ended 30 September 2020 and 2019, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

| | Consolidated / Separate financial statements | | | |
|------------------------------|--|--------------|---|--------------|
| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| <i>(in thousand Baht)</i> | | | | |
| Short-term employee benefits | 1,190 | 1,180 | 3,764 | 3,580 |
| Post-employment benefits | 39 | 39 | 117 | 117 |
| Total | 1,229 | 1,219 | 3,881 | 3,697 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

5 Cash and cash equivalents

| | Consolidated | | Separate | |
|--------------------------------------|---------------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 30 | 31 | 30 | 31 |
| | September | December | September | December |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Cash | 90 | 105 | 10 | 8 |
| Bank deposits | 35,348 | 51,789 | 9,637 | 17,837 |
| Highly liquid short-term investments | 20,035 | - | 20,035 | - |
| Total cash and cash equivalent | <u>55,473</u> | <u>51,894</u> | <u>29,682</u> | <u>17,845</u> |

As at 30 September 2020, bank deposits in saving accounts carried interest at 0.05 percent per annum (31 December 2019: 0.375 percent per annum) and highly liquid short-term investment carried interest at 0.70 percent per annum.

6 Short-term investment

As at 30 September 2020, the Company had short-term investments which were fixed deposits at bank. The fixed deposits carried interest at 0.75 - 0.90 percent per annum and will mature within 2021 (31 December 2019: 1.40 percent per annum).

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

7 Trade and other receivables

| | Consolidated | | Separate | |
|--|---------------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 30 | 31 | 30 | 31 |
| | September | December | September | December |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <u>Trade accounts receivable - related parties</u> | | | | |
| (Note 4) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | - | - | 7,974 | 5,405 |
| Total trade accounts receivable | | | | |
| - related parties | - | - | 7,974 | 5,405 |
| <u>Trade accounts receivable - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 8,389 | 7,854 | 1,577 | 1,577 |
| Total trade accounts receivable | | | | |
| - unrelated parties | 8,389 | 7,854 | 1,577 | 1,577 |
| <u>Other receivables</u> | | | | |
| Advance to employee | 10 | 10 | 10 | 10 |
| Accrued interest income - related parties | | | | |
| (Note 4) | - | - | 713 | 533 |
| Accrued interest income - unrelated parties | 136 | 13 | 125 | 13 |
| Prepaid expenses | 319 | 825 | 163 | 674 |
| Value added tax refundable | 48 | 34 | - | - |
| Total other receivables | 513 | 882 | 1,011 | 1,230 |
| Total trade and other receivables | 8,902 | 8,736 | 10,562 | 8,212 |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

8 Project in progress

The net book values of project in progress as at 30 September 2020 and 31 December 2019 are presented below.

| | Consolidated financial statements | |
|-------------------------------|--------------------------------------|---------------------|
| | 30 September 2020 | 31 December 2019 |
| | <i>(in thousand Baht)</i> | |
| Grid application | 121 | 252 |
| Grid interconnection | 8,451 | 8,451 |
| Consultation fee | 1,583 | 1,583 |
| Others | 510 | 510 |
| Translation adjustment | 252 | (620) |
| Total project in progress | <u>10,917</u> | <u>10,176</u> |
| Write-off project in progress | <u>131</u> | <u>-</u> |

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 nine-month period ended | |
|--------------------------------|---------------------------|------------------------|----------------------------|------------------------|---------------------------|------------------------|--|-------------------------|
| | 30 September 2020 | 31 December 2019 | 30 September 2020 | 31 December 2019 | 30 September 2020 | 31 December 2019 | 30 September 2020 | 30 September 2019 |
| | <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 | 4,000 | 2,400 |
| 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 | 3,900 |
| 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 | - |
| 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 | | | | | <u>123,660</u> | <u>123,660</u> | <u>12,299</u> | <u>8,099</u> |

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(Unaudited but reviewed)

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.

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 is rented to operators of solar power plant. The terms of the rental agreements are generally 25 years.

For the three and nine-month periods ended 30 September 2020 and 2019, the subsidiary company has rental income related to these rental agreements as follows.

| | Consolidated financial statements | | | |
|---------------|-----------------------------------|-------|---------------------------|-------|
| | For the three-month period | | For the nine-month period | |
| | ended 30 September | | ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Rental income | 3,288 | 3,288 | 9,864 | 9,864 |

As at 30 September 2020, the subsidiary company has pledged its land with net book value amounting to approximately Baht 82.5 million (31 December 2019: Baht 82.5 million) as collateral against credit facilities received from a financial institution in Note 15 to the financial statements.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

11 Property, plant and equipment

Movements of property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| | <i>(in thousand Baht)</i> | |
| Net book value as at 31 December 2019 | 122,141 | 2,473 |
| Acquisitions during period - at cost | 2,602 | 2,588 |
| Disposal during period - at net book value | (2) | - |
| Depreciation for period | (4,690) | (691) |
| Net book value as at 30 September 2020 | <u>120,051</u> | <u>4,370</u> |

As at 30 September 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 8.7 million (31 December 2019: Baht 8.6 million) (The Company only: Baht 4.5 million (31 December 2019: Baht 4.4 million)).

The subsidiaries have pledged their land and construction amounting to approximately Baht 113.6 million (31 December 2019: Baht 117.4 million) as collateral against credit facilities received from financial institutions as described in Note 15 to the financial statements.

During the three-month period ended 30 September 2019, a subsidiary company recorded an allowance for asset impairment of Baht 4.6 million since its power plant project under construction may not proceed, as discussed in Note 21.1 to the financial statements.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

12 Right-of-use assets

Movements of right-of-use assets account during the nine-month period ended 30 September 2020 are summarised below

| | Consolidated financial statements | Separate financial statements |
|---|--------------------------------------|----------------------------------|
| | <i>(in thousand Baht)</i> | |
| Net book value as at 1 January 2020 | | |
| Adjustments of right-of-use assets due to TFRS 16 adoption (Note 2.3.2) | 39,908 | 14,696 |
| Amortisation | (2,496) | (1,233) |
| Net book value as at 30 September 2020 | <u>37,412</u> | <u>13,463</u> |

13 Trade and other payables

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------------|----------------------------------|------------------------|
| | 30 September 2020 | 31 December 2019 | 30 September 2020 | 31 December 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts payable | 559 | 500 | 85 | 76 |
| Accrued expenses | 575 | 2,187 | 234 | 945 |
| Other payables | 161 | 178 | 17 | 110 |
| Accrued interest expense - related parties (Note 4) | - | - | - | 174 |
| Accrued interest expense | 454 | 685 | - | - |
| Value added tax payable | 319 | 312 | 107 | 105 |
| Total trade and other payables | <u>2,068</u> | <u>3,862</u> | <u>443</u> | <u>1,410</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

14 Lease liabilities

| | Consolidated | | Separate | |
|--|---------------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Lease liabilities | 33,380 | - | 13,791 | - |
| Less: Deferred interest expense | (5,468) | - | (1,844) | - |
| Total | 27,912 | - | 11,947 | - |
| Less: Current portion | (3,274) | - | (1,952) | - |
| Lease liabilities - net of current portion | <u>24,638</u> | <u>-</u> | <u>9,995</u> | <u>-</u> |

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

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

| | Consolidated financial statements | | | |
|--|-----------------------------------|---------------|---------------|---------------|
| | 30 September 2020 | | | |
| | Less than | | | |
| | 1 year | 1 - 5 years | Over 5 years | Total |
| | <i>(in thousand Baht)</i> | | | |
| Future minimum lease payments | 4,215 | 13,784 | 15,381 | 33,380 |
| Deferred interest expenses | (941) | (2,955) | (1,572) | (5,468) |
| Present value of future minimum lease payments | <u>3,274</u> | <u>10,829</u> | <u>13,809</u> | <u>27,912</u> |

| | Separate financial statements | | | |
|--|-------------------------------|--------------|--------------|---------------|
| | 30 September 2020 | | | |
| | Less than 1 | | | |
| | year | 1 - 5 years | Over 5 years | Total |
| | <i>(in thousand Baht)</i> | | | |
| Future minimum lease payments | 2,303 | 6,739 | 4,749 | 13,791 |
| Deferred interest expenses | (351) | (1,091) | (402) | (1,844) |
| Present value of future minimum lease payments | <u>1,952</u> | <u>5,648</u> | <u>4,347</u> | <u>11,947</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

Movements of lease account during the three-month and nine-month periods ended 30 September 2020 are summarised below.

| | Consolidated financial statements | Separate financial statements |
|---|--------------------------------------|----------------------------------|
| <i>The three-month period ended 30 September 2020</i> | | |
| <i>(in thousand Baht)</i> | | |
| <i>Recognized in profit or loss</i> | | |
| Interest paid on lease liabilities | 182 | 27 |
| Expenses related to leases of low-value assets | 10 | 10 |
| | | |
| <i>The nine-month period ended 30 September 2020</i> | | |
| <i>Recognized in profit or loss</i> | | |
| Interest paid on lease liabilities | 493 | 61 |
| Expenses related to leases of low-value assets | 28 | 28 |

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the nine-month period ended 30 September 2020 were Baht 2.6 million and Baht 1.7 million, respectively.

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(Unaudited but reviewed)

15 Long-term loans from financial institution

The detail of long-term loans from financial institution as at 30 September 2020 and 31 December 2019 are summarised below:

| No. | Lender | Credit facilities <i>(in million Baht)</i> | Significant terms and conditions of loan agreements | | | Consolidated financial statements | |
|--|--------|---|---|---|---|--|------------------|
| | | | Repayment term | Collateral | Interest rate <i>(percent per annum)</i> | 30 September 2020 <i>(in thousand Baht)</i> | 31 December 2019 |
| <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 | 19,971 | 27,650 |
| 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 | 66,801 | 72,283 |
| Total long-term loans from financial institution | | | | | | 86,772 | 99,933 |
| Less: current portion | | | | | | (18,038) | (17,484) |
| Long-term loans from financial institutions - net of current portion | | | | | | 68,734 | 82,449 |

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(Unaudited but reviewed)

Movement in the long-term loans account for the nine-month period ended 30 September 2020 is summarised below.

| | Consolidated financial statements |
|--|---|
| | <u>(in thousand Baht)</u> |
| Balance as at 31 December 2019 | 99,933 |
| Less: repayment | <u>(13,161)</u> |
| Balance as at 30 September 2020 | <u><u>86,772</u></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.

16 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 2020 and 2019 are made up as follows:

| | For the three-month period ended 30 September | | | |
|--|---|---------------------|----------------------|-------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| | <u>(in thousand Baht)</u> | | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 1,114 | 1,084 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 561 | 449 | 557 | 451 |
| Income tax (income) expenses reported in the income statement | <u><u>1,675</u></u> | <u><u>1,533</u></u> | <u><u>557</u></u> | <u><u>451</u></u> |

SAAM Energy Development Public Company Limited and its subsidiaries

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For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

| | For the nine-month period ended 30 September | | | |
|--|--|--------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 3,094 | 3,190 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 1,476 | 199 | 1,491 | 205 |
| Income tax (income) expenses reported in the income statement | 4,570 | 3,389 | 1,491 | 205 |

17 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.

18 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 2020 and 2019, respectively.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

For the three-month period ended 30 September

| | Development service | | Distribute of electricity | | Adjustments and eliminating | | Consolidated financial statements | |
|---|---------------------------|---------------|---------------------------|--------------|-----------------------------|----------------|-----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Revenue from sales, services and rental | 14,422 | 15,502 | 4,333 | 4,037 | (692) | (1,772) | 18,063 | 17,767 |
| Cost of sales, services and rental | (4,028) | (3,536) | (1,541) | (1,538) | 694 | 331 | (4,875) | (4,743) |
| Gross profit | <u>10,394</u> | <u>11,966</u> | <u>2,792</u> | <u>2,499</u> | <u>2</u> | <u>(1,441)</u> | <u>13,188</u> | <u>13,024</u> |
| Gain on exchange rate | | | | | | | 562 | - |
| Other income | | | | | | | 430 | 538 |
| Selling and servicing expenses | | | | | | | (50) | (56) |
| Administrative expenses | | | | | | | (4,304) | (9,103) |
| Loss on exchange rate | | | | | | | - | (113) |
| Finance cost | | | | | | | (850) | (1,161) |
| Income tax expenses | | | | | | | (1,675) | (1,533) |
| Non-controlling interests of the subsidiaries | | | | | | | <u>1</u> | <u>2</u> |
| Profit for the period | | | | | | | <u>7,302</u> | <u>1,598</u> |

For the nine-month period ended 30 September

| | Development service | | Distribute of electricity | | Adjustments and eliminating | | Consolidated financial statements | |
|---|---------------------------|---------------|---------------------------|--------------|-----------------------------|----------------|-----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Revenue from sales, services and rental | 43,263 | 44,808 | 13,766 | 12,856 | (2,071) | (3,616) | 54,958 | 54,048 |
| Cost of sales, services and rental | (11,998) | (10,372) | (4,623) | (4,568) | 2,089 | 767 | (14,532) | (14,173) |
| Gross profit | <u>31,265</u> | <u>34,436</u> | <u>9,143</u> | <u>8,288</u> | <u>18</u> | <u>(2,849)</u> | <u>40,426</u> | <u>39,875</u> |
| Gain on exchange rate | | | | | | | 910 | - |
| Other income | | | | | | | 1,088 | 1,078 |
| Selling and servicing expenses | | | | | | | (159) | (165) |
| Administrative expenses | | | | | | | (13,848) | (20,610) |
| Loss on exchange rate | | | | | | | - | (1,354) |
| Finance cost | | | | | | | (2,812) | (3,571) |
| Income tax expenses | | | | | | | (4,570) | (3,389) |
| Non-controlling interests of the subsidiaries | | | | | | | <u>30</u> | <u>26</u> |
| Profit for the period | | | | | | | <u>21,065</u> | <u>11,890</u> |

SAAM Energy Development Public Company Limited and its subsidiaries

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For the three-month and nine-month periods ended 30 September 2020

(Unaudited but reviewed)

19 Dividends payment

| | 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 |
| Interim dividend paid from the Company's six-month operating results ended 30 June 2020 | Board of Director Meeting on 7 August 2020 | 11.1 | 0.037 | 3 September 2020 |
| Total dividends paid for the nine-month period ended 30 September 2020 | | 18.6 | 0.062 | |

| | Approved by | Dividends | | Paid on |
|---|---|-----------------------------------|----------------------------|------------------|
| | | Total <i>(in Million Baht)</i> | Per share <i>(Baht)</i> | |
| 2019 | | | | |
| 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 | 7.5 | 0.025 | 5 September 2019 |
| Total dividends paid for the nine-month period ended 30 September 2019 | | 15.0 | 0.050 | |

Moreover, the Board of Directors of the Company on 9 August 2019 passed the resolution to approve an increase in legal reserve amounting to Baht 0.13 million.

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20 Financial instruments

20.1 Foreign currency risk

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

As at 30 September 2020 and 31 December 2019, 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 | 31 | 30 | 31 | 30 | 31 |
| | September | December | September | December | September | December |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in million Baht)</i> | | | | <i>(Baht per 1 foreign currency unit)</i> | |
| Financial assets | | | | | | |
| US dollar | 0.7 | 0.7 | - | - | 31.4900 | 29.9767 |
| Japan Yen | - | - | 111.3 | 115.8 | 0.2961 | 0.2723 |
| HK dollar | - | - | - | 0.2 | 4.0444 | 3.8328 |

20.2 Interest rate risk

The Company and the subsidiaries exposure to interest rate risk relates primarily to its cash at banks and borrowings. Most of The Company and the subsidiaries' 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 15 to mitigate interest rate risk as below.

| Currency | Consolidated Financial Statements | | Maturity date |
|--------------------------------|-----------------------------------|---|---------------|
| | Loan | Interest | |
| | <i>(in million Baht)</i> | <i>(Percent per annum)</i> | |
| As at 30 September 2020 | | | |
| Baht | 34.8 | Exchange of interest at BIBOR 3 month to interest at 2.41 percent per annum | 7 July 2021 |
| As at 31 December 2019 | | | |
| Baht | 37.3 | Exchange of interest at BIBOR 3 month to interest at 2.41 percent per annum | 7 July 2021 |

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(Unaudited but reviewed)

20.3 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 value 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 September 2020 is presented below.

| | Consolidated financial statements at 30 September 2020 | |
|-----------------------------|--|------------|
| | Carrying amount | Fair Value |
| | Fair value through profit or loss | |
| | <i>(in thousand Baht)</i> | |
| Derivative liability | | |
| Interest rate swap contract | 598 | 598 |

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

- 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.
- 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.

21 Commitments and contingencies

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

21.1 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.

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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 2020, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (31 December 2019: Baht 4.8 million). The subsidiary presented this construction cost under “Construction in progress” amounting to Baht 3.5 million (31 December 2019: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (31 December 2019: 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 2019: 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 2020, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 22.8 million (31 December 2019: Baht 21.7 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 2019: 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.

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(Unaudited but reviewed)

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.

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 September 2020, the Group's management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

21.2 Commitment for sell and purchase of land agreement

SAAM Three Co., Ltd., a subsidiary company, entered into an agreement 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 final as mentioned in Note 21.1. This causes purchase of land agreement has been postponed. To maintain the rights under the 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 final (31 December 2019: Baht 0.3 million). Under the purchase of land agreement, the subsidiary is obligated to purchase the land at a total cost Baht 14.6 million (31 December 2019: Baht 14.6 million).

21.3 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 approximately Baht 3,500. (31 December 2019: 3,600 Baht).

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21.4 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 2019: Baht 0.2 million).

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 2019: Baht 0.04 million).

22 Events after the reporting period

Dividend payment

On 30 October 2020, the Board of Director Meeting No. 04/2563 of SAAM Solar Power One Co.,Ltd., a subsidiary of the Company, the Company's shareholders passed a resolution approving the payment of a dividend in respect of operating results for the six-month period ended 30 June 2020 of Baht 8.75 per share to its shareholders, a total of Baht 3.5 million. The Company is to pay the dividend to its shareholders on 13 November 2020. Such dividend and statutory reserve will be recorded in the fourth quarter of 2020.

23 Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 3 November 2020.