

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

Financial statements
for the year ended 31 December 2020

and

Independent Auditor's Report

Independent Auditor’s Report

To the Shareholders of SAAM Energy Development Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SAAM Energy Development Public Company Limited and its subsidiaries (the “Group”) and of SAAM Energy Development Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated and separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in the audit
<p>Project in progress</p> <p>As disclosed in the Note 9 to the consolidated financial statements, the indirect subsidiaries are in the development process of renewable energy project. Project in progress comprised the costs and fees of grid application, METI certification, grid interconnection, consultation and other expenses which directly related to project. Management needed to exercise substantial judgment in considering and recording this project in progress.</p>	<p>Key audit procedures included:</p> <p>I directed and supervised the work of the component auditor related to project in progress to obtain sufficient and appropriate audit evidence on the following:</p> <ul style="list-style-type: none"> • Management’s identification of the valuation of project in progress by obtaining an understanding of management’s process and assessing the progress and the possibility of sale of the project in progress.

The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> • Reviewing whether the recording of project in progress was in accordance with Thai Financial Reporting Standards. • The recording of purchase and payment transactions related to the project in progress during the year (If any) • Examination of representative samples of project in progress transactions against supporting documents for the additions occurring during the year (If any) <p>In addition, I reviewed the disclosure of information related to project in progress in the consolidated notes to financial statements.</p>
<p>Investments in subsidiaries</p> <p>As disclosed in Note 10 to the consolidated financial statements, as at 31 December 2020, the Company has investments in subsidiaries amounting to Baht 123.7 million, which is a significant amount. In assessing the impairment of this investment, the management needs to exercise substantial judgment to make forecasts of operating results and projections of future cash flows from investments, including determination of assumptions.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding of management’s process of impairment. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries. - Assessing management’s process of selecting a financial model. - Assessing the appropriateness of valuation model and key assumptions the management applied in preparing plans and projections of cash flows from the investments in subsidiaries - Comparing past cash flows projections with actual operating results.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 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.

Other Information

Management is responsible for the other information. The other information comprise the information included in the annual report other than, the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Pitinan Lilamethwat)
Certified Public Accountant
Registration No. 11133

PKF Audit (Thailand) Ltd.
Bangkok
16 February 2021

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents	6	101,097,108	51,893,608	68,624,309	17,844,855
Short-term investment	7	21,650,489	81,077,778	21,650,489	81,077,778
Trade and other current receivables	8	8,088,814	8,736,170	10,389,878	8,212,112
Project in progress	9	10,586,128	10,175,658	-	-
Current portion of prepaid land rental expense		-	95,844	-	-
Short-term loans to related parties	5	-	-	29,384,460	31,204,110
Other current assets		4,294,344	4,933,491	1,084,466	1,489,607
Total current assets		145,716,883	156,912,549	131,133,602	139,828,462
Non-current assets					
Investments in subsidiaries	10	-	-	123,660,561	123,660,561
Prepaid land rental expense					
- net of current portion		-	8,115,132	-	-
Investment properties	11	82,494,500	82,494,500	-	-
Property, plant and equipment	12	118,469,796	122,141,420	4,129,896	2,473,139
Right-of-use assets	13	36,471,692	-	12,945,619	-
Intangible assets	14	68,025	75,486	63,226	70,043
Deposit of purchase equipment	28.1	24,382,409	24,461,625	-	-
Deferred tax assets	21	477,577	1,941,232	408,604	1,858,956
Other non-current assets		1,656,647	4,589,481	240,900	1,687,650
Total non-current assets		264,020,646	243,818,876	141,448,806	129,750,349
Total assets		409,737,529	400,731,425	272,582,408	269,578,811

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity		<i>(in Baht)</i>			
Current liabilities					
Trade and other current payables	15	2,611,468	3,862,330	673,344	1,410,069
Short-term loan from related party	5	-	-	-	5,500,000
Current portion of liabilities under lease agreements	16	3,242,132	-	1,907,985	-
Current portion of long-term loans from financial institutions	17	18,225,847	17,483,951	-	-
Corporate income tax payable		1,694,520	1,658,068	-	-
Derivative liability	26	442,166	-	-	-
Other current liabilities		937,123	1,309,581	563,235	904,279
Total current liabilities		27,153,256	24,313,930	3,144,564	7,814,348
Non-current liabilities					
Liabilities under lease agreements - net of current portion	16	23,832,128	-	9,522,408	-
Long-term loans from financial institutions - net of current portion	17	64,223,277	82,449,125	-	-
Non-current provisions for employee benefits	18	1,612,153	1,876,949	1,403,003	1,332,579
Other non-current liabilities - rental payable		-	2,054,163	-	756,001
Total non-current liabilities		89,667,558	86,380,237	10,925,411	2,088,580
Total liabilities		116,820,814	110,694,167	14,069,975	9,902,928

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity		<i>(in Baht)</i>			
(continued)					
Shareholders' equity					
Share capital					
Registered					
		300,000,000 ordinary shares of Baht 0.50 each	150,000,000	150,000,000	150,000,000
		Issued and fully paid up			
		300,000,000 ordinary shares of Baht 0.50 each	150,000,000	150,000,000	150,000,000
		Share premium	99,418,659	99,418,659	99,418,659
Deficit on business combination under					
		common control	(688,926)	(688,926)	-
Retained earnings					
		Appropriated - statutory reserve	3,650,840	2,550,840	3,650,840
	19	Unappropriated	40,454,018	40,373,728	5,161,962
		Other components of shareholders' equity	495,424	(1,256,677)	280,972
		Equity attributable to owners of the Company	293,330,015	290,397,624	258,512,433
		Non-controlling interests of the subsidiaries	(413,300)	(360,366)	-
		Total shareholders' equity	292,916,715	290,037,258	258,512,433
		Total liabilities and shareholders' equity	409,737,529	400,731,425	269,578,811

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of income
For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Revenues					
Revenue from sale of goods		17,037,938	16,889,168	-	-
Revenue from rendering of services		41,771,040	41,771,040	11,617,175	11,948,224
Revenue from rental	11	13,152,000	13,152,000	-	-
Dividend income from subsidiaries	5	-	-	15,799,258	10,099,406
Unrealised gain on exchange rate		-	-	1,837,444	-
Other income		1,399,809	1,512,844	12,906,311	12,285,595
Total revenues		73,360,787	73,325,052	42,160,188	34,333,225
Expenses					
Cost of sales of goods		6,163,828	6,113,574	-	-
Costs of rendering of services and rental		13,386,767	12,913,998	3,829,058	3,452,477
Selling and service expenses		220,043	221,000	220,043	221,000
Administrative expenses		19,070,826	26,498,117	15,141,698	16,703,973
Unrealised loss on exchange rate		769,465	1,673,799	-	1,894,007
Total expenses		39,610,929	47,420,488	19,190,799	22,271,457
Profit before finance cost and income tax expenses		33,749,858	25,904,564	22,969,389	12,061,768
Finance cost		(3,653,839)	(4,591,789)	(182,487)	(275,959)
Profit before income tax expense		30,096,019	21,312,775	22,786,902	11,785,809
Income tax expenses	21	(5,857,320)	(4,811,538)	(1,450,352)	(295,925)
Profit for the year		24,238,699	16,501,237	21,336,550	11,489,884
Profit attributable to:					
Equity holders of the Company		24,272,329	16,549,113	21,336,550	11,489,884
Non-controlling interests of the subsidiaries		(33,630)	(47,876)		
		24,238,699	16,501,237		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	23	0.081	0.055	0.071	0.038
Weighted average number of ordinary shares (Shares)		300,000,000	300,000,000	300,000,000	300,000,000

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Profit for the year	24,238,699	16,501,237	21,336,550	11,489,884
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	1,733,539	(864,869)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	1,733,539	(864,869)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss on defined benefit plan	-	(114,192)	-	(127,781)
Income tax effect	-	23,518	-	25,556
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	(90,674)	-	(102,225)
Other comprehensive income for the year	1,733,539	(955,543)	-	(102,225)
Total comprehensive income for the year	25,972,238	15,545,694	21,336,550	11,387,659
Total comprehensive income attributable to:				
Equity holders of the Company	26,024,430	15,593,566	21,336,550	11,387,659
Non-controlling interests of the subsidiaries	(52,192)	(47,872)		
	25,972,238	15,545,694		

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2020

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	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			
<i>(in Baht)</i>											
Year ended 31 December 2019											
Balance as at 1 January 2019		150,000,000	99,418,659	(688,926)	1,976,346	46,899,109	(658,745)	357,615	297,304,058	(311,900)	296,992,158
Profit for the year		-	-	-	-	16,549,113	-	-	16,549,113	(47,876)	16,501,237
Other comprehensive income for the year		-	-	-	-	-	(864,871)	(90,676)	(955,547)	4	(955,543)
Total comprehensive income for the year		-	-	-	-	16,549,113	(864,871)	(90,676)	15,593,566	(47,872)	15,545,694
Transferred unappropriated retained earnings											
to statutory reserve	19	-	-	-	574,494	(574,494)	-	-	-	-	-
Dividend paid	25	-	-	-	-	(22,500,000)	-	-	(22,500,000)	-	(22,500,000)
Decrease in non-controlling interests of the subsidiaries											
from dividend payment of subsidiaries		-	-	-	-	-	-	-	-	(594)	(594)
Balance as at 31 December 2019		150,000,000	99,418,659	(688,926)	2,550,840	40,373,728	(1,523,616)	266,939	290,397,624	(360,366)	290,037,258
Year ended 31 December 2020											
Balance as at 31 December 2019 - as reported		150,000,000	99,418,659	(688,926)	2,550,840	40,373,728	(1,523,616)	266,939	290,397,624	(360,366)	290,037,258
Impact of changes in accounting policies	3	-	-	-	-	(592,039)	-	-	(592,039)	-	(592,039)
Balance as at 1 January 2020		150,000,000	99,418,659	(688,926)	2,550,840	39,781,689	(1,523,616)	266,939	289,805,585	(360,366)	289,445,219
Profit for the year		-	-	-	-	24,272,329	-	-	24,272,329	(33,630)	24,238,699
Other comprehensive income for the year		-	-	-	-	-	1,752,101	-	1,752,101	(18,562)	1,733,539
Total comprehensive income for the year		-	-	-	-	24,272,329	1,752,101	-	26,024,430	(52,192)	25,972,238
Transferred unappropriated retained earnings											
to statutory reserve	19	-	-	-	1,100,000	(1,100,000)	-	-	-	-	-
Dividend paid	25	-	-	-	-	(22,500,000)	-	-	(22,500,000)	-	(22,500,000)
Decrease in non-controlling interests of the subsidiaries											
from dividend payment of subsidiaries		-	-	-	-	-	-	-	-	(742)	(742)
Balance as at 31 December 2020		150,000,000	99,418,659	(688,926)	3,650,840	40,454,018	228,485	266,939	293,330,015	(413,300)	292,916,715

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

		Separate financial statements					
		Issued and paid up share capital	Share premium	Retained earnings		Gain (Loss) on remeasurements of defined benefit plans	Total equity
<i>Note</i>	Appropriated - statutory reserve			Unappropriated	<i>(in Baht)</i>		
Year ended 31 December 2019							
Balance as at 1 January 2019		150,000,000	99,418,659	1,976,346	19,010,022	383,197	270,788,224
Profit for the year		-	-	-	11,489,884	-	11,489,884
Other comprehensive income for the year		-	-	-	-	(102,225)	(102,225)
Total comprehensive income for the year		-	-	-	11,489,884	(102,225)	11,387,659
Transferred unappropriated retained earnings to statutory reserve		-	-	574,494	(574,494)	-	-
19		-	-	-	(22,500,000)	-	(22,500,000)
25		-	-	-	(22,500,000)	-	(22,500,000)
Balance as at 31 December 2019		150,000,000	99,418,659	2,550,840	7,425,412	280,972	259,675,883
Year ended 31 December 2020							
Balance as at 1 January 2020		150,000,000	99,418,659	2,550,840	7,425,412	280,972	259,675,883
Profit for the year		-	-	-	21,336,550	-	21,336,550
Total comprehensive income for the year		-	-	-	21,336,550	-	21,336,550
Transferred unappropriated retained earnings to statutory reserve		-	-	1,100,000	(1,100,000)	-	-
19		-	-	-	(22,500,000)	-	(22,500,000)
25		-	-	-	(22,500,000)	-	(22,500,000)
Balance as at 31 December 2020		150,000,000	99,418,659	3,650,840	5,161,962	280,972	258,512,433

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

SAAM Energy Development Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit before tax	30,096,019	21,312,775	22,786,902	11,785,809
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities:				
Unrealised (gain) loss on exchange rate	152,811	1,665,438	(2,028,014)	1,894,007
Gain on measurement of fair value of derivatives	(149,874)	-	-	-
Amortisation of prepaid land rental expense	-	95,845	-	-
Depreciation and amortisation	9,729,724	5,766,254	2,701,129	446,904
Gain on disposal of equipment	(199,511)	(999)	-	-
Allowance for impairment of power plant under construction	12	-	4,562,098	-
Write-off withholding tax deducted at source	-	126,734	-	-
Write-off project in progress	9	131,076	30,783	-
Increase in provisions for employee benefits	303,964	399,381	265,425	352,751
Dividend income	5, 10	-	(15,799,258)	(10,099,406)
Interest income	(899,878)	(1,389,536)	(1,242,053)	(1,676,313)
Interest expenses	3,554,940	4,415,599	140,964	169,194
Profit from operating activities before changes in operating assets and liabilities	42,719,271	36,984,372	6,825,095	2,872,946
Operating assets (increase) decrease				
Trade and other current receivables	332,984	(112,114)	(2,720,601)	(3,140,513)
Project in progress	-	(30,783)	-	-
Other current assets	(193,512)	499,212	2,307	320,672
Other non-current assets	64,864	31,006	-	(26,400)
Operating liabilities increase (decrease)				
Trade and other current payables	(1,078,581)	(1,996,773)	(562,253)	(1,463,145)
Other current liabilities	(372,456)	(823,134)	(341,045)	(749,344)
Other non-current liabilities	-	87,834	-	31,548
Cash flows from (used in) operating activities	41,472,570	34,639,620	3,203,503	(2,154,236)
Cash received from withholding tax refundable	1,285,659	736,782	853,550	516,709
Cash paid for income tax	(4,828,943)	(5,095,401)	(469,076)	(606,233)
Cash paid for employee benefits	(568,760)	-	(195,000)	-
Net cash flows from (used in) operating activities	37,360,526	30,281,001	3,392,977	(2,243,760)

SAAM Energy Development Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Cash flows from investing activities					
Payment for acquisition of vehicle, equipment and software computer		(2,604,999)	(280,486)	(2,582,880)	(120,176)
Proceed from disposal of equipment		208,446	1,000	-	-
Cash received from settlement of short-term loans to related parties	5	-	-	33,200,160	1,500,000
Payment to provide short-term loans to related parties	5	-	-	(29,624,500)	(9,448,014)
Dividend received from subsidiaries	5	-	-	15,799,258	10,099,406
Cash paid for share incremental in subsidiaries	10	-	-	-	(6,696,000)
Current investment (increase) decrease		59,427,289	(81,077,778)	59,427,289	(81,077,778)
Cash received from interest income		812,155	1,377,030	1,668,926	1,303,785
Net cash flows from (used in) investing activities		57,842,891	(79,980,234)	77,888,253	(84,438,777)
Cash flows from financing activities					
Cash paid to settle short-term loans from related parties	5	-	-	(5,500,000)	(500,000)
Cash paid to settle long-term loans from related parties	5	-	-	-	(14,210,000)
Repayment of long-term loans from financial institution	17	(17,483,951)	(31,426,826)	-	-
Payment of liabilities under lease agreements	16	(3,406,768)	-	(2,186,340)	-
Cash paid for direct costs related to share offering		-	(3,683,462)	-	(3,683,462)
Dividend paid	25	(22,500,000)	(22,500,000)	(22,500,000)	(22,500,000)
Cash paid for interest expenses		(3,800,450)	(4,549,331)	(315,436)	(144,879)
Decrease in non-controlling interest of the subsidiaries from dividend payment		(743)	(594)	-	-
Net cash flows from (used in) financing activities		(47,191,912)	(62,160,213)	(30,501,776)	(41,038,341)
Effect of exchange rate changes on cash and cash equivalents		1,191,995	(241,850)	-	-
Net increase (decrease) in cash and cash equivalents		49,203,500	(112,101,296)	50,779,454	(127,720,878)
Cash and cash equivalents at beginning of year		51,893,608	163,994,904	17,844,855	145,565,733
Cash and cash equivalents at end of year		101,097,108	51,893,608	68,624,309	17,844,855

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1 General information

SAAM Energy Development Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. 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.

The Company’s major shareholder during the financial period was Mr. Podduang Kongkamee who held 34.58% of shareholding.

The principal activities of the Group are developing renewable energy power plant projects for sale including procuring project land and providing related services and investing in renewable energy power plants.

2 Basis of preparation of interim financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements in Thai language are the official statutory financial statements of the Company. The English language financial statements have been translated from the Thai language financial statements.

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.

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.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

2.3 Basis of consolidation

The consolidated financial statements relate to SAAM Development Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (together referred to as the “the Group”).

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Subsidiaries				
SAAM One Co., Ltd.	Project site procurement and rendering of services	Thailand	99.99	99.99
SAAM Two Co., Ltd.	Project site procurement and rendering of services	Thailand	99.98	99.98
SAAM Three Co., Ltd.	Project site procurement and rendering of services	Thailand	99.99	99.99
SAAM Service Co., Ltd.	Renewable energy related business operations	Thailand	99.99	99.99
SAAM Solar Power One Co., Ltd.	Renewable energy project investment	Thailand	99.99	99.99
SAAM Solar Power Two Co., Ltd.	Renewable energy project investment	Thailand	99.99	99.99
SAAM International Limited	Renewable energy project development for sale and international renewable energy project	Hong Kong	100	100
Indirect subsidiaries				
SAAM Japan Energy GK	Renewable energy project development for sale in Japan and related business	Japan	100	100
Biomass Power One GK	Renewable energy project development for sale	Japan	90	90
Biomass Power Two GK	Renewable energy project development for sale	Japan	90	90
Biomass Power Three GK	Renewable energy project development for sale	Japan	100	100
Biomass Power Four GK	Renewable energy project development for sale	Japan	100	100

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Biomass Power Five GK	Renewable energy project development for sale	Japan	100	100
Biomass Power Six GK	Renewable energy project development for sale	Japan	90	90
Biomass Power Seven GK	Renewable energy project development for sale	Japan	90	90
Biomass Power Eight GK	Renewable energy project development for sale	Japan	100	100

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income or expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The separate financial statements present investments in subsidiaries under the cost method.

2.4 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

2.5 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 4.10 and 13

Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

(2) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4.10	Determining the incremental borrowing rate to measure lease liabilities
Note 4.8, 4.9, and 4.10	Estimation useful life of assets
Note 4.11	Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate
Note 4.1 and 10	Measurement of investment adjusted for impairment losses
Note 4.6, 4.11 and 9	Impairment test of projects in process: Key assumptions underlying recoverable amount.
Note 4.18	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
Note 4.12	Measurement of defined benefit obligations: key actuarial assumptions.
Note 4.14 and 26.5	Determining the fair value of financial instruments on the basis of significant unobservable inputs.
Note 4.13	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

3 New financial reporting standards

Financial reporting standards that became effective in the current year

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

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

From 1 January 2020, the Group 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 Retained earnings <i>(in thousand Baht)</i>	Separate financial statements Retained earnings
At 31 December 2019 - as reported	42,925	9,976
<i>Decrease due to:</i>		
Adoption of TFRS - Interest rate swap contract	(592)	-
At 1 January 2020 - restated	<u>42,333</u>	<u>9,976</u>

3.1 TFRS - Financial Instruments standards

The Group have adopted TFRS 9 - Financial Instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020.

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:

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 the effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Group recognised the derivatives when they were exercised.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group'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	-	592	-	-
Total	-	592	-	-

The subsidiary intends to hold derivative contract - interest rate swap (Note 26) for strategic purposes. The subsidiary has designated them as measured at FVTPL.

3.2 TFRS 16 Leases

From 1 January 2020, the Group 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 Group, 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 Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (Transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities and, as a result, the nature of expenses related to those leases were changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group 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 consolidated financial statements

For the year ended 31 December 2020

	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<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 commitments as disclosed at 31 December 2019 are as follows;

- 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 8 to 25 years or the end of the service agreements.
- 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 <i>(in thousand Baht)</i>	Separate financial statements
<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	<u>36,442</u>	<u>15,523</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	<u>30,482</u>	<u>13,617</u>
Lease liabilities recognised at 1 January 2020	<u>30,482</u>	<u>13,617</u>
Weighted-average incremental borrowing rate (<i>% per annum</i>)	<u>3.67</u>	<u>3.44</u>

Right-of-use assets and lease liabilities shown above were presented as part of development service segments.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4 Significant accounting policies

Except for the adoption of TFRS Financial Instruments standards and TFRS 16 Leases, as shown in note 3 to the financial statements, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

4.2 Foreign currencies

Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the end of reporting period.

Gains and losses on exchange are included in determining income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

4.3 Financial instruments

Accounting policies applicable from 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivatives

The Group uses interest rate swaps as a derivative. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a non-current derivative asset or a non-current derivative liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current derivative assets or current derivative liabilities.

Accounting policies applicable before 1 January 2020

Derivatives

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments, other than for managing the interest rate risks. The subsidiary company has entered into interest swap agreements to mitigate such exposure.

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Trade and other accounts receivable

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.6 Inventories

Project in progress is cost of project of which revenue has not yet been recognised. Project in progress is valued at the actual cost which are comprised the costs and fees of grid application, METI certification, grid interconnection, consultation and other expenses which directly related to project.

4.7 Investment properties

Investment properties are land and measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Power plant	25	years
Building and building improvement	5, 10 and 20	years
Tool and equipment	5	years
Furniture and office equipment	5	years
Motor vehicle	5	years

Depreciation is included in determining income. No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Intangible assets

Intangible assets acquired is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	10	years
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4.10 Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

4.11 Impairment of assets

Impairment of financial assets

Accounting policies applicable from 1 January 2020

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and projects in progress whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Group's has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

4.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.15 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

4.16 Revenue

Sales

Sales of electricity is recognised based on the amount of electricity produced and the agreed tariff (Feed-in Tariff) at the point in time when control of the electricity is transferred to the customer.

Rendering of services

Revenue from procuring power plant locations and maintenance of power plant equipment is recognised over time when services have been rendered based on the rates and periods as stipulated in the agreements.

Rental income

Income from rental of power plant locations is recognised on an accrual basis based on a straight-line basis over the lease term.

4.17 Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

4.19 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

4.20 Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

4.21 Segment reporting

Segment results that are reported to the Group's highest decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related party transactions

Relationships with subsidiaries and joint ventures are disclosed in Notes 2.3 and 10. Relationship with key management and other related parties are 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 (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 mutually agreed price.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019

(in thousand Baht)

Transactions with subsidiary companies

(eliminated from the consolidated financial statements)

Service income	-	-	2,774	3,105
Management income	-	-	11,520	10,368
Dividend income	-	-	15,799	10,099
Interest income	-	-	389	363
Other service income	-	-	-	119
Interest expenses	-	-	31	169

Transactions with related parties

Dividend paid	1	1	-	-
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Transactions with key management

Sale of fixed asset	220	-	-	-
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As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Trade accounts receivable - related parties

(Note 8)

Subsidiaries	-	-	8,430	5,405
Total trade accounts receivable				
- related parties	-	-	8,430	5,405

Accrued interest income - related parties

(Note 8)

Subsidiaries	-	-	40	533
Total accrued interest income				
- related parties	-	-	40	533

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accrued interest expense - related parties				
(Note 15)				
Subsidiaries	-	-	-	174
Total accrued interest expense				
- related parties	-	-	-	174

Loans to related parties and loans from related parties

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

Short-term loans to related party

Short-term loans to	Related by	Separate financial statements				
		Balance as at	During the year		Unrealised	Balance as at
		31 December	Increase	Decrease	gain on	31 December
		2019			exchange rate	2020
<i>(in thousand Baht)</i>						
SAAM International Limited	Subsidiary	26,704	24,624	(28,700)	1,756	24,384
SAAM Three Co., Ltd.	Subsidiary	4,500	5,000	(4,500)	-	5,000
Total		31,204	29,624	(33,200)	1,756	29,384

Short-term loans to	Related by	Separate financial statements				
		Balance as at	During the year		Unrealised	Balance as at
		31 December	Increase	Decrease	loss on	31 December
		2018			exchange rate	2019
<i>(in thousand Baht)</i>						
SAAM International Limited	Subsidiary	24,905	3,448	-	(1,649)	26,704
SAAM One Co., Ltd.	Subsidiary	-	1,000	(1,000)	-	-
SAAM Two Co., Ltd.	Subsidiary	-	500	(500)	-	-
SAAM Three Co., Ltd.	Subsidiary	-	4,500	-	-	4,500
Total		24,905	9,448	(1,500)	(1,649)	31,204

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Short-term loans from related party

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

Short-term loans from	Related by	Separate financial statements			
		Balance as at	During the year		Balance as at
		31 December	Increase	Decrease	31 December
		2018			2019
<i>(in thousand Baht)</i>					
SAAM Solar Power Two Co., Ltd.	Subsidiary	6,000	-	(500)	5,500
Total		6,000	-	(500)	5,500

Long-term loan from related party

Long-term loan from	Related by	Separate financial statements			
		Balance as at	During the year		Balance as at
		31 December	Increase	Decrease	31 December
		2018			2019
<i>(in thousand Baht)</i>					
SAAM Three Co., Ltd.	Subsidiary	14,210	-	(14,210)	-
Total		14,210	-	(14,210)	-
Less: Current portion		(4,080)			
Long-term loan from related party - net of current portion		10,130			

The Company fully repaid such long-term loan from SAAM Three Co., Ltd., a subsidiary company, in February 2019.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated / Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Short-term employee benefits	4,954	4,760
Post-employment benefits	156	156
Total	5,110	4,916

Service and management agreements

The Company entered into the service and management agreements with three subsidiary companies (SAAM One Co., Ltd, SAAM Two Co., Ltd and SAAM Three Co., Ltd) that are effective from October 2016 until cancelled by each party. Under the agreements, the subsidiary companies have to pay monthly service fee at the rates as stipulated in the agreements.

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash	89	105	11	8
Bank deposits	35,322	51,789	8,448	17,837
Highly liquid short-term investments	65,686	-	60,165	-
Total cash and cash equivalent	101,097	51,894	68,624	17,845

As at 31 December 2020, bank deposits in saving accounts earned interests at 0.05 percent per annum (31 December 2019: 0.375 percent per annum). The highly liquid short-term investments were 3-month fixed deposits at banks. The fixed deposits earn interest at 0.7 percent per annum and will mature on 30 March 2021.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

7 Short-term investment

As at 31 December 2020, the Company has short-term investment which were fixed deposits at bank. The fixed deposits earn interest at 0.9 percent per annum and will mature within 2021 (31 December 2019: 1.40 percent per annum).

8 Trade and other current receivables

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<u>Trade accounts receivable - related parties</u>				
(Note 5)				
Aged on the basis of due dates				
Not yet due	-	-	8,430	5,405
Total trade accounts receivable				
- related parties	-	-	8,430	5,405
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,589	7,854	1,577	1,577
Total trade accounts receivable				
- unrelated parties	7,589	7,854	1,577	1,577
<u>Other receivables</u>				
Advance to employee	-	10	-	10
Accrued interest income - related parties				
(Note 5)	-	-	40	533
Accrued interest income - unrelated parties	100	13	100	13
Prepaid expenses	351	825	243	674
Value added tax refundable	49	34	-	-
Total other receivables	500	882	383	1,230
Total trade and other receivables	8,089	8,736	10,390	8,212

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

9 Projects in progress

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

	Consolidated financial statements					
	Cost		Translation adjustment		Project in progress-net	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Grid application	121	252	4	(14)	125	238
Grid interconnection	8,451	8,451	(89)	(494)	8,362	7,957
Consultation fee	1,583	1,583	(17)	(93)	1,566	1,490
Others	510	510	23	(19)	533	491
Total	10,665	10,796	(79)	(620)	10,586	10,176

During the current year, the subsidiary companies have written off projects in progress of Baht 0.13 million (2019: Baht 0.03 million). This was presented in other expenses in the consolidated income statement since the subsidiary companies considered that those projects did not have a future economic benefit.

10 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 years	
	2020	2019	2020	2019	2020	2019	2020	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	7,000	2,000
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	15,799	10,099

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

On 6 September 2019, the Extraordinary General Meeting of SAAM Service Co., Ltd. No. 1/2019 passed the special resolution 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 percent of 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.

On 7 November 2019, a meeting of the Company's Board of Directors No. 4/2019 passed a resolution approving the increase in registered share capital of SAAM International Limited, a subsidiary company, from HKD 0.1 million to HKD 1.5 million through the issuance of 1.4 million new ordinary shares with a par value of HKD 1 each. The Company purchased such new shares in order to maintain its 100 percent of interest in SAAM International Limited, a subsidiary company. The subsidiary company called for payment of share capital at 100 percent of new shares, and the Company paid HKD 1.4 million or equivalent to Baht 5.4 million for the share subscription on 20 December 2019.

The subsidiary company registered the increase in share capital on 28 November 2019.

11 Investment properties

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. Most of the investment properties are rented to operators of solar power plant for 25 years, while part of them is held for long-term investment.

For the years ended 31 December 2020 and 2019, the subsidiary company has rental income related to these rental agreements as follows.

	Consolidated financial statements	
	2020	2019
Rental income	13,152	13,152

As at 31 December 2020, the subsidiary company has pledged its land which 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 17 to the financial statements.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The fair value of the investment properties as disclosure as at 31 December 2020 and 2019 stated below:

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Land	138,206	138,206

The fair value of the above investment properties have been determined based on valuation performed by an accredited independent valuer on 25 September 2018. The fair value of the land held for rent and the land held for long-term investment have been determined using the income approach and market approach, respectively. Key assumptions used in the valuation include yield rate, inflation rate and long-term growth in real rental rates. The fair value of investment property has been categorised as a Level 2 fair value.

Management consider that there is no significant change to the fair value of the investment property from the date of the professional valuation to 31 December 2020.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

12 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Power plant	Buildings and building improvement	Tools and equipment	Furniture and office equipment	Motor vehicles	Assets under construction	
	<i>(in thousand Baht)</i>							
Cost								
31 December 2018	10,730	127,902	6,543	266	1,091	8,635	4,562	159,729
Additions	-	-	-	73	55	-	152	280
Transfer in (out)	-	-	152	-	-	-	(152)	-
Disposals/write-off	-	-	-	-	(20)	-	-	(20)
31 December 2019	10,730	127,902	6,695	339	1,126	8,635	4,562	159,989
Additions	-	-	22	22	32	2,514	20	2,610
Transfer in (out)	-	-	20	-	-	-	(20)	-
Disposals/write-off	-	-	-	(53)	(12)	(1,200)	-	(1,265)
31 December 2020	10,730	127,902	6,737	308	1,146	9,949	4,562	161,334
Accumulated depreciation								
31 December 2018	-	16,164	2,245	78	428	8,635	-	27,550
Depreciation for the year	-	5,083	408	58	207	-	-	5,756
Accumulated depreciation of disposals/write-off assets	-	-	-	-	(20)	-	-	(20)
31 December 2019	-	21,247	2,653	136	615	8,635	-	33,286
Depreciation for the year	-	5,083	433	65	209	482	-	6,272
Accumulated depreciation of disposals/write-off assets	-	-	-	(44)	(12)	(1,200)	-	(1,256)
31 December 2020	-	26,330	3,086	157	812	7,917	-	38,302
Allowance for impairment loss								
31 December 2019	-	-	-	-	-	-	4,562	4,562
Increase during the year	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	4,562	4,562
Net book value								
31 December 2019	10,730	106,655	4,042	203	511	-	-	122,141
31 December 2020	10,730	101,572	3,651	151	334	2,302	-	118,470
Depreciation for the year								
2019 (Baht 5,400 thousand included in cost of sale and service, and the balance in administrative expenses)								5,756
2020 (Baht 5,432 thousand included in cost of sale and service, and the balance in administrative expenses)								6,272

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	Separate financial statements					Total
	Buildings and building improvement	Tools and equipment	Furniture and office equipment	Motor vehicles	Assets under construction	
	<i>(in thousand Baht)</i>					
Cost						
31 December 2018	2,904	29	990	4,435	-	8,358
Additions	-	29	55	-	36	120
Transfer in (out)	36	-	-	-	(36)	-
31 December 2019	2,940	58	1,045	4,435	-	8,478
Additions	22	-	32	2,514	20	2,588
Transfer in (out)	20	-	-	-	(20)	-
31 December 2020	2,982	58	1,077	6,949	-	11,066
Accumulated depreciation						
31 December 2018	795	8	330	4,435	-	5,568
Depreciation for the year	223	8	206	-	-	437
31 December 2019	1,018	16	536	4,435	-	6,005
Depreciation for the year	230	12	207	482	-	931
31 December 2020	1,248	28	743	4,917	-	6,936
Net book value						
31 December 2019	1,922	42	509	-	-	2,473
31 December 2020	1,734	30	334	2,032	-	4,130
Depreciation for the year						
2019 (Baht 83 thousand included in cost of service, and the balance in administrative expenses)						437
2020 (Baht 92 thousand included in cost of service, and the balance in administrative expenses)						931

As at 31 December 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 7.5 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 112.3 million (31 December 2019: Baht 117.4 million) as collateral against credit facilities received from financial institutions as described in Note 17 to the financial statements.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

13 Leases

As a lessee

At 31 December 2020	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Right-of-use assets		
Land	34,633	11,107
Buildings	1,839	1,839
Total	<u>36,472</u>	<u>12,946</u>

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 40 million and Baht 15 million, respectively.

The Group lease a number of lands for 8 to 25 years and leases office building for 3 years. The rental is payable monthly as specified in the contract.

Year ended 31 December 2020	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Fixed payments	4,100	2,296
Total	<u>4,100</u>	<u>2,296</u>

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land	2,421	-	831	-
- Buildings	919	-	919	-
Interest on lease liabilities	693	-	110	-
Expenses relating to leases of low-value assets	42	-	42	-
Lease expense	-	3,029	-	1,307
Contingent rent expense	-	33,038	-	11,623

In 2020, total cash outflow for leases of the Group and the Company were Baht 3.4 million and Baht 2.2 million, respectively.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

As a lessor

The investment properties comprise of lands that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 25 years. The rental income of investment properties is fixed under the contracts.

<i>Minimum lease payments under non-cancellable operating leases are receivable</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>At 31 December 2020</i>		
Within 1 year	13,152	-
1 - 5 years	52,608	-
After 5 years	197,280	-
Total	<u>263,040</u>	<u>-</u>

14 Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2020 and 2019 is presented below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost	118	104	112	98
Less: Accumulated amortisation	(50)	(29)	(49)	(28)
Net book value	<u>68</u>	<u>75</u>	<u>63</u>	<u>70</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Net book value at beginning of year	75	86	70	80
Acquisition of computer software	14	-	14	-
Less: Amortisation for the year	(21)	(11)	(21)	(10)
Net book value at end of year	<u>68</u>	<u>75</u>	<u>63</u>	<u>70</u>

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

15 Trade and other current payables

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Trade accounts payable	536	500	78	76
Accrued expenses	1,054	2,187	334	945
Other payables	304	178	159	110
Accrued interest expense - related parties (Note 5)	-	-	-	174
Accrued interest expense	439	685	-	-
Value added tax payable	278	312	102	105
Total	2,611	3,862	673	1,410

16 Lease liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Lease liabilities	32,341	-	13,226	-
Less: Deferred interest expense	(5,267)	-	(1,796)	-
Total	27,074	-	11,430	-
Less: Current portion	(3,242)	-	(1,908)	-
Lease liabilities - net of current portion	23,832	-	9,522	-

The Group has 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.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

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

	Consolidated financial statements			
	2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>			
Future minimum lease payments	4,214	13,512	14,615	32,341
Deferred interest expenses	(972)	(2,803)	(1,492)	(5,267)
Present value of future minimum lease payments	<u>3,242</u>	<u>10,709</u>	<u>13,123</u>	<u>27,074</u>
	Separate financial statements			
	2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>			
Future minimum lease payments	2,302	6,515	4,409	13,226
Deferred interest expenses	(394)	(988)	(414)	(1,796)
Present value of future minimum lease payments	<u>1,908</u>	<u>5,527</u>	<u>3,995</u>	<u>11,430</u>

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

17 Long-term loans from financial institution

The detail of long-term loans from financial institution as at 31 December 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>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
<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	17,343	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	65,106	72,283
Total long-term loans from financial institution						82,449	99,933
Less: current portion						(18,226)	(17,484)
Long-term loans from financial institutions - net of current portion						64,223	82,449

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Movement in the long-term loans account the year ended 31 December 2020 and 2019 are summarised below.

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Balance as at 1 January	99,933	131,360
Less: Repayment	(17,484)	(31,427)
Balance as at 31 December	<u>82,449</u>	<u>99,933</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.

18 Non-current provisions for employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Provision for long-term employee benefits at beginning of year	1,877	1,363	1,333	852
Included in profit or loss:				
Current service cost	281	236	245	203
Interest cost	23	27	20	23
Past service cost	-	137	-	127
Included in other comprehensive income:				
Financial assumptions changes	-	152	-	142
Experience adjustments	-	(38)	-	(14)
	<u>2,181</u>	<u>1,877</u>	<u>1,598</u>	<u>1,333</u>
Employee benefit paid	(569)	-	(195)	-
Provision for long-term employee benefits at end of year	<u>1,612</u>	<u>1,877</u>	<u>1,403</u>	<u>1,333</u>

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 0.1 million (The Company only: Baht 0.1 million) as a result for the year ended 31 December 2019. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the same period.

As at 31 December 2020, the Group do not expect to pay long-term employee benefits during the next year. (2019: the Group expects to pay long-term employee benefits during the next year Baht 0.6 million)

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 7 - 14 years (Separate financial statements: 14 years) (2019: 7 - 14 years (Separate financial statements: 14 years)).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(percentage per year)</i>			
Discount rate	1.51 - 1.84	1.51 - 1.84	1.84	1.84
Salary increase rate	4.00	4.00	4.00	4.00
Turnover rate	1.91 - 22.92	1.91 - 22.92	1.91 - 22.92	1.91 - 22.92

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant:

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in liabilities		Increase (decrease) in liabilities	
	<i>(in thousand Baht)</i>			
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(82)	88	(74)	80
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	186	(166)	167	(149)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(136)	155	(122)	139
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in liabilities		Increase (decrease) in liabilities	
	<i>(in thousand Baht)</i>			
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(71)	76	(64)	69
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	148	(132)	132	(118)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(105)	118	(94)	105

19 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During the year 2020, the Company set additional statutory reserve of Baht 1.1 million (2019: Baht 0.6 million).

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

As at 31 December 2020, the Company has statutory reserve totaling Baht 3.7 million (2019: Baht 2.6 million).

20 Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salaries and wages and other employee benefits	10,977	10,460	10,901	10,460
Servicing expenses	9,969	9,871	1,941	1,909
Depreciation and amortization	9,730	5,767	2,701	447
Land rental expenses	-	3,029	-	1,307
Commission expenses	221	221	221	221
Professional service expenses	3,061	4,341	1,638	2,364

In addition, the Group has expenses that are other expenses by nature, but which are not included in the above; such as insurance premiums, other fees and other expenses.

21 Income tax

Income tax expense for the year ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current income tax:				
Current corporate income tax charge	4,394	4,523	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,463	289	1,450	296
Income tax expenses reported in the income statement	<u>5,857</u>	<u>4,812</u>	<u>1,450</u>	<u>296</u>

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax relating to actuarial loss on defined benefit plan	-	(24)	-	(26)
	-	(24)	-	(26)

The reconciliation between accounting profit and income tax expense is shown below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Accounting profit before tax	30,096	21,313	22,787	11,786
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	7,160	4,675	4,557	2,357
Adjustment in respect of income tax of previous year	-	8	-	-
Effects of changes in the tax rate				
Effects of:				
Promotional privileges	(1,556)	(1,398)	-	-
Non-deductible expenses	59	1,270	59	9
Additional expense deductions allowed	(6)	(50)	(6)	(50)
Income not subject to tax	-	-	(3,160)	(2,020)
Others	200	220	-	-
Total	(1,303)	42	(3,107)	(2,061)
Unrecognised tax losses as deferred tax assets	-	87	-	-
Income tax expense reported in profit or loss	5,857	4,812	1,450	296

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

The components of deferred tax are as follows:

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	312	348	281	266
Unused tax loss	210	1,593	210	1,593
Lease liabilities	4,662	-	2,286	-
Deposit of land rental	502	-	289	-
Prepaid rental	83	-	81	-
Deferred tax liabilities				
Right-of-use asset	(4,929)	-	(2,589)	-
Prepaid land rental	(346)	-	(149)	-
Rental payable	(16)	-	-	-
Net	478	1,941	409	1,859

As at 31 December 2020, two subsidiary companies have the unused tax losses amounting to Baht 4.8 million (2019: Baht 5.7 million) which will expire by 2021 - 2025. The deferred tax assets have not been recognised as the subsidiary companies believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

	Consolidated financial statements					
	2020			2019		
	Before income tax	Income tax (expense)	Net of income tax	Before income tax	Income tax (expense)	Net of income tax
	<i>(in million Baht)</i>					
Income Tax						
Other comprehensive income						
Exchange differences on translation of financial statements in foreign currency	1.73	-	1.73	(0.86)	-	(0.86)
Total	1.73	-	1.73	(0.86)	-	(0.86)

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

22 Promotional privileges

Subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the subsidiary companies are as follows:

Details	SAAM Solar Power One Co., Ltd.	SAAM Solar Power Two Co., Ltd.
1. Certificate No.	59-0032-0-00-2-0	59-0033-0-00-2-0
2. Promotional privileges for	Produce of electricity generated from solar energy	Produce of electricity generated from solar energy
3. The significant privileges are:		
3.1 Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	Commencing until 29 December 2023	Has not yet exercised
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 6 July 2018	Ends on 6 July 2021
4. Date of first earning operating income	30 December 2015	Has not yet exercised

The subsidiaries are required to comply with certain significant conditions under BOI certificates.

The Company was granted privileges of taxation from the Board of Investment. The subsidiary companies' operating revenues for the years are producing of electricity generated from solar energy which could be divided between BOI promoted activities and Non-BOI promoted activities.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
BOI promoted	17,038	16,889
Non-BOI promoted	-	-
Total sale	<u>17,038</u>	<u>16,889</u>

23 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.

24 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its services and have two reportable segments as follows:

1. Development service - Development of renewable energy projects for customer
2. Distribution of electricity - Development and management for own solar energy project

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group financing activities (including finance costs and finance income) and income taxes are managed on the Group basis and are not allocated to operating segments.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

24.1 The results of operations separated by business segment

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019, respectively.

	Development service		Distribute of electricity		Adjustments and elimination		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Revenue from sales, services and rental	57,697	59,790	17,038	16,889	(2,774)	(4,867)	71,961	71,812
Cost of sales, services and rental	(16,191)	(13,997)	(6,164)	(6,113)	2,804	1,083	(19,551)	(19,027)
Gross profit	<u>41,506</u>	<u>45,793</u>	<u>10,874</u>	<u>10,776</u>	<u>30</u>	<u>(3,784)</u>	<u>52,410</u>	<u>52,785</u>
Other income							1,400	1,513
Loss on exchange rate							(769)	(1,674)
Selling and servicing expenses							(220)	(221)
Administrative expenses							(19,071)	(26,498)
Finance cost							(3,654)	(4,592)
Income tax expenses							(5,857)	(4,812)
Non-controlling interests of the subsidiaries							33	48
Profit for the year							<u>24,272</u>	<u>16,549</u>

24.2 Assets separated by business segment are as follows:

	Development service		Distribute of electricity		Adjustments and eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Assets								
Trade accounts receivables	21,890	16,996	2,173	2,438	(16,474)	(11,580)	7,589	7,854
Investment properties	82,495	82,495	-	-	-	-	82,495	82,495
Property, plant and equipment	6,313	4,896	112,302	117,390	(145)	(145)	118,470	122,141
Deposit for purchase of land and equipment	1,456	1,456	22,926	23,006	-	-	24,382	24,462
Others	357,609	347,273	19,679	21,324	(200,486)	(204,818)	176,802	163,779
Total assets	<u>469,763</u>	<u>453,116</u>	<u>157,080</u>	<u>164,158</u>	<u>(217,105)</u>	<u>(216,543)</u>	<u>409,738</u>	<u>400,731</u>
Total liabilities	<u>139,562</u>	<u>127,058</u>	<u>66,447</u>	<u>73,567</u>	<u>(89,188)</u>	<u>(89,931)</u>	<u>116,821</u>	<u>110,694</u>
Increase (decrease) to non-current assets excluded								
deferred tax assets	26,841	(3,959)	(5,176)	(11,322)	-	3,434	21,665	(11,847)

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Geographic information

Revenue from external customers is based on locations of the customers.

	2020	2019
	<i>(in thousand Baht)</i>	
Revenue from external customers		
Thailand	71,961	71,812
Total	<u>71,961</u>	<u>71,812</u>
Non-current assets (other than deferred tax assets)		
Thailand	262,087	240,422
Japan	1,456	1,456
Total	<u>263,543</u>	<u>241,878</u>

Major customers

For the year 2020, the Group has revenue from two major customers in amount of Baht 54.9 million arising from development service segment and Baht 17.0 million, arising from distribute of electricity segment, (2019: Baht 54.9 million arising from development service segment and Baht 16.9 million arising from distribute of electricity segment).

25 Dividends

	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
Interim dividend paid from the Company's nine-month operating results ended 30 September 2020	Board of Director Meeting on 6 November 2020	3.9	0.013	3 December 2020
Total dividends paid for 2020		<u>22.5</u>	<u>0.075</u>	

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	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 earnings as at 30 June 2019	Board of Director Meeting on 9 August 2019	7.5	0.025	5 September 2019
Interim dividend paid on net income as at 30 September 2019	Board of Director Meeting on 7 November 2019	7.5	0.025	5 December 2019
Total dividends paid for 2019		<u>22.5</u>	<u>0.075</u>	

26 Financial instruments

26.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, lease receivable, other financial assets, trade and other payables, long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

26.2 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. However, the Group has high concentrations of credit risk since its customers base consist of a few and large customers. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

26.3 Interest rate risk

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

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated Financial Statements									
	Fixed interest rate within 1 year		Floating interest rate		Non- interest bearing		Total		Effective interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>								<i>(% per annum)</i>	
Financial Assets										
Cash and cash equivalent	-	-	101,097	51,894	-	-	101,097	51,894	0.05 - 0.7	0.375
Short-term investment	21,650	81,078	-	-	-	-	21,650	81,078	0.90	1.40
Trade and other receivables	-	-	-	-	8,089	8,736	8,089	8,736	-	-
	<u>21,650</u>	<u>81,078</u>	<u>101,097</u>	<u>51,894</u>	<u>8,089</u>	<u>8,736</u>	<u>130,836</u>	<u>141,708</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	2,611	3,862	2,611	3,862	-	-
Long-term loans from financial institutions	-	-	82,449	99,933	-	-	82,449	99,933	MLR - 1.5 and BIBOR 3 month + 2	MLR - 1.5 and BIBOR 3 month + 2
	<u>-</u>	<u>-</u>	<u>82,449</u>	<u>99,933</u>	<u>2,611</u>	<u>3,862</u>	<u>85,060</u>	<u>103,795</u>		

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

	Separate Financial Statements									
	Fixed interest rate within 1 year		Floating interest rate		Non- interest bearing		Total		Effective interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
	<i>(% per annum)</i>									
Financial Assets										
Cash and cash equivalent	-	-	68,624	17,845	-	-	68,624	17,845	0.05 - 0.7	0.375
Short-term investment	21,650	81,078	-	-	-	-	21,650	81,078	0.90	1.40
Trade and other receivables	-	-	-	-	10,390	8,212	10,390	8,212	-	-
Short-term loans to related parties	29,384	31,204	-	-	-	-	29,384	31,204	1.25	1.25
	<u>51,034</u>	<u>112,282</u>	<u>68,624</u>	<u>17,845</u>	<u>10,390</u>	<u>8,212</u>	<u>130,048</u>	<u>138,339</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	673	1,410	673	1,410	-	-
Short-term loans from related parties	-	5,500	-	-	-	-	-	5,500	-	1.25
	<u>-</u>	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>673</u>	<u>1,410</u>	<u>673</u>	<u>6,910</u>		

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 17 to mitigate interest rate risk as below.

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

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

26.4 Foreign currency risk

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

As at 31 December 2020 and 2019, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at	
	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	-	-	29.8674	29.9767
Japan Yen	-	-	114.4	115.8	0.2869	0.2723
HK dollar	-	-	-	0.2	3.8335	3.8328

26.5 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 31 December 2020 is presented below.

	Consolidated financial statements at 31 December 2020	
	Carrying amount	Fair Value
	<u>Fair value through profit or loss</u>	
	<i>(in thousand Baht)</i>	
Derivative liability		
Interest rate swap contract	442	442

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.

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Consolidated Financial Statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			

Financial assets disclosed at fair value

Investment properties	-	138.2	-	138.2
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Financial liabilities disclosed at fair value

Derivatives

Interest rate swap contract	-	0.4	-	0.4
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	Consolidated Financial Statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			

Financial assets disclosed at fair value

Investment properties	-	138.2	-	138.2
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Financial liabilities disclosed at fair value

Derivatives

Interest rate swap contract	-	0.6	-	0.6
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During the current period, there was no transfer within the fair value hierarchy.

27 Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.40:1 (2019: 0.38:1) and the Company's was 0.05:1 (2019: 0.04:1).

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

28 Commitments and contingencies

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

28.1 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 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 31 December 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 31 December 2020, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 21.6 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

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

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.

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 Administration 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 31 December 2020, the Group's management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

28.2 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 final as mentioned in Note 28.1. 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 final (31 December 2019: 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 2019: Baht 14.6 million).

SAAM Energy Development Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

28.3 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).

28.4 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).

29 Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 16 February 2021.