



Ref. SAAM 06/2022

23 February 2022

Subject: Notification of Handover of Biomass Power Projects in Japan and the Resolution of the Executive Committee Approving Disposition of Asset and Termination of Subsidiary Status

To: The President
The Stock Exchange of Thailand

SAAM Development Public Company Limited (the "Company") would like to notify the Company's key progress and development regarding the handover of 2 biomass power projects which the Group of Companies has developed in Japan, namely SAAM Oita 01 Biomass Power Project and SAAM Oita 02 Biomass Power Project, with details as follows:

1. SAAM International Limited, a subsidiary which the Company holds 100% stake, entered into an agreement to handover SAAM Oita 01 Biomass Power Project and SAAM Oita 02 Biomass Power Project to a Japanese investor. In the handover of such projects, SAAM International Limited will sell to the same investor investment in 2 subsidiaries, namely Biomass Power Three GK and Biomass Power Four GK, which hold various permits for SAAM Oita 01 Biomass Power Project and SAAM Oita 02 Biomass Power Project. The Executive Committee Meeting No. 02/2022 held on 22 February 2022 passed a resolution approving disposition of asset, namely investment in Biomass Power Three GK and Biomass Power Four GK (details of which appear in the Attachment), causing the 2 companies to cease the status of being a subsidiary.
2. The total value of the agreement is JPY 218.84 million (approximately THB 61.79 million), separated into project development service fee of JPY 190.00 million and consideration for the sale of investment in Biomass Power Three GK and Biomass Power Four GK of JPY 28.84 million, whereby SAAM International Limited received the total amount on 22 February 2022 and recognized revenue from renewable energy project development for sale business.

Please be informed accordingly.

Yours Sincerely,

(Mr. Podduang Kongkamee)
Chief Executive Officer

Information Memorandum on the Disposition of Asset and Termination of Subsidiary Status

The Executive Committee Meeting No. 02/2022 held on 22 February 2022 of SAAM Development Public Company Limited (the “Company”) approved the disposition of investment in 2 subsidiaries, namely Biomass Power Three GK and Biomass Power Four GK, which the Company indirectly holds 100% stake, which is considered disposition of asset in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (including amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated 29 October 2004 (including amendments) (the “Notification on Acquisition or Disposition”).

The transaction size is 3.33% of the Company’s total assets according to the Company’s consolidated financial statements for the year ended 31 December 2021, calculated in accordance with the total value of consideration criteria. As such, the transaction size is less than 15% based on the calculation criteria yielding the highest transaction size, and thus the Company is not required to disclose information memorandum in accordance with the Notification on Acquisition or Disposition. In addition, such transaction is not considered connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 dated 19 November 2003 (including amendments) (“the “Notification on Connected Transaction”).

However, such transaction results in termination of subsidiary status from disposition, with details in relation to the disposition of investment in subsidiaries as follows:

1. Date of Executive Committee Resolution

22 February 2022

2. Transaction Date

22 February 2022

3. Counterparty and Relationship with Listed Company

Seller: SAAM International Limited, which SAAM Development Public Company Limited (the “Company”) holds 100% stake

Buyer: A large Japanese trading company, which has no relationship with the Group of Companies and is not a connected person

4. Description of the Transaction and Detail of Asset Disposition

Type of Asset Disposed: Total investment in Biomass Power Three GK and Biomass Power Four GK; after the disposition of investment in subsidiaries, SAAM International Limited has no remaining stake in Biomass Power Three GK and Biomass Power Four GK, and Biomass Power Three GK and Biomass Power Four GK are no longer subsidiaries of the Company

Nature of Business: Special purpose vehicle established to develop renewable energy projects, to be sold to investors

Paid-up Capital: JPY 0.1 million per company, totaling JPY 0.2 million (approximately THB 0.06 million)

Board of Directors: 1 person: Miss Krittiya Honghiran, representative of the Company

Shareholding Structure:

Biomass Power Three GK	Before Disposition Transaction		After Disposition Transaction	
	Interest (JPY)	Shareholding (Percent)	Interest (JPY)	Shareholding (Percent)
SAAM International Limited	100,000	100.00	-	-
The Buyer	-	-	100,000	100.00
Total	100,000	100.00	100,000	100.00

Biomass Power Four GK	Before Disposition Transaction		After Disposition Transaction	
	Interest (JPY)	Shareholding (Percent)	Interest (JPY)	Shareholding (Percent)
SAAM International Limited	100,000	100.00	-	-
The Buyer	-	-	100,000	100.00
Total	100,000	100.00	100,000	100.00

Summary of Financial Status and Performance:

Biomass Power Three GK (Unit: JPY)	Ended 31 December 2019	Ended 31 December 2020	Ended 31 December 2021
Total Asset	21,542,953	22,862,953	23,853,553
Total Liability	22,697,447	24,416,691	25,866,498
Total Shareholders' Equity	(1,154,494)	(1,553,738)	(2,012,945)
Revenue	-	-	-
Net Loss	(392,791)	(399,244)	(459,207)

Biomass Power Four GK (Unit: JPY)	Ended 31 December 2019	Ended 31 December 2020	Ended 31 December 2021
Total Asset	21,542,953	22,862,953	23,852,953
Total Liability	22,697,447	24,416,091	25,864,698
Total Shareholders' Equity	(1,154,494)	(1,553,138)	(2,011,745)
Revenue	-	-	-
Net Loss	(392,791)	(398,644)	(458,607)

Selling Price: JPY 28.84 million (approximately THB 8.14 million)

Payment Method: The buyer made payment in bank transfer for the entire amount on 22 February 2022, with terms of the agreement being in accordance with normal commercial terms and no termination or refund after having made payment for the agreement value

Ownership Transfer: The seller prepared ownership transfer documents for the buyer after having received payment for the agreement value

5. Transaction Size

5.1. Total Amount of Consideration and Criteria in Determining Amount of Consideration

Amount of consideration is JPY 28.84 million (approximately THB 8.14 million), in accordance with negotiation and agreement between the buyer and the seller, and the Board of Directors has deemed to be appropriate.

5.2. Calculation of Transaction Size

Calculation Criteria	Calculation	Transaction Size
Value of Net Tangible Assets Criteria	Cannot be determined as the net tangible asset of Biomass Power Three GK and Biomass Power Four GK are negative	-
Net Profit from Operations Criteria	Cannot be determined as the operating result of Biomass Power Three GK and Biomass Power Four GK incurred net loss	-
Total Value of Consideration Criteria	$\frac{\text{THB 14.28 million}^1}{\text{THB 429.12 million}^2}$	3.33%
Value of Securities Issued Criteria	Not qualified	-

Remark: ¹ Financial information of Biomass Power Three GK and Biomass Power Four GK used in the calculation of transaction size pertains to financial statements for the year ended 31 December 2021, considering the sum of the selling price and contingent liabilities

² Financial information of the Company used in the calculation of transaction size pertains to consolidated financial statements for the year ended 31 December 2021

For the past 6 months, the Company has not disposed any asset. As such, this transaction has the highest transaction size of 3.33% of total assets in accordance with the total value of consideration criteria.

6. Opinion of the Board of Directors on the Transaction

The Board of Directors has considered and is of the opinion that such transaction is appropriate and for the utmost benefit of the Company and shareholders of the Company. Moreover, the sale of interest in such subsidiaries are in accordance with normal business practices in developing projects for sale, whereby funds received may be further utilized as working capital in business operations.

7. Opinion of the Audit Committee and/or Director of the Company which Differs from the Opinion of the Board of Directors

- None -

The Company certifies that information contained in this Information Memorandum is accurate and true in all respects, and has been prepared in prudence and caution, for the utmost benefit of shareholders.

Please be informed accordingly.

Yours Sincerely,

(Mr. Podduang Kongkamee)
Chief Executive Officer