



Ref. SAAM 10/2021

29 April 2021

Subject: Information on Business Proceedings Presented During Opportunity Day

To: The President
The Stock Exchange of Thailand

Refer to: News on Disclosure of the Opportunity Day Presentation for FY 2020 Performance on the Company Website dated 23 March 2021

Reference is made to SAAM Energy Development Public Company Limited (the "Company")'s issuance of Clarification of Trading Alert List through the Stock Exchange of Thailand's communication channel on the 8 and 19 April 2021 that the Company has no undisclosed development or material information memorandum that is still in process of consideration and may disclose to the Stock Exchange of Thailand in the near future, for example, capital increase, joint venture, acquisition or disposition of assets or significant dispute which may affect an unusual trading pattern.

The Company would like to confirm that actual proceedings for businesses have been continuously undertaken as presented during the Opportunity Day on 5 April 2021 and would like to inform that the Company has no additional development from what was disclosed through said Opportunity Day on 5 April 2021 (the details of which appear in the news published through the Stock Exchange of Thailand's communication channel on 23 March 2021). The Company has the following businesses as presented during the Opportunity Day, which holds the risk of shifts in operating timeframe of project delivery, shifts in operating timeframe of project development and processing, or not being able to successfully proceed, summarized as follows.

1. Current businesses which are successful and had started recognizing revenue include:

- 1.1 Procurement of project site and rendering of related services within renewable energy projects business* which the Group of Companies serve 17 projects in Thailand on over 746 rai of land



1.2 *Renewable energy project investment business* which the Group of Companies invests in 1 solar power project in Thailand of 2.0 MW

Revenue for this business will continuously be recognized in the long-term for approximately the next 20 years, with over THB 1,000 million in total revenues to be received throughout the period.

2. Businesses under development and in process, expected to recognize revenue in the future include:

2.1. *Renewable energy project development for sale business (biomass power projects in Japan)*

2.1.1. SAAM Oita 01 Biomass Power Project and SAAM Oita 02 Biomass Power Project in Japan, both of which faced a delay in operations due to the Coronavirus 2019 outbreak situation, causing inability to travel to attend meetings with relevant government agencies to develop the projects in their stages 4 and 5.

As such, the Group of Companies negotiated with the client in changing the scope of work in handing over the project, requesting the reduction of the process from 5 stages to 3 stages to enable faster handover, with the client taking responsibility of the remaining processes. At present, the projects have completed stage 3 of development and is in negotiations with the client. The Group of Companies expects to handover the projects within Quarter 3 of 2021, whereby revenue will be recognized in the form of service fees from the development and sale of projects.

2.1.2. Biomass power projects in Japan apart from those outlined in 2.1.1, approximately 2 - 4 of which are currently being developed, will proceed in the same manner in the reduction to 3 stages with regards of the scope of work. The Group of Companies is constantly discussing with target client groups and will push to develop and handover these projects after the completion of the handover of projects outlined in 2.1.1, whereby revenue will be recognized in the form of service fees from the development and sale of projects.



2.2. Hire for renewable energy project development business in accordance with clients' requirements (biomass power projects in Japan)

The Group of Companies considered a change in business strategy in the development of projects, adding the operation in a manner which clients contract the Group of Companies in the development of projects in accordance with each client's requirements (done in parallel with renewable project development for sale), whereby the Group of Companies will clearly specify criteria, key processes, and milestone payments, enabling delivery of work to the client and revenue recognition in accordance with gradual completion in accordance with set milestones without having to wait for complete development of the project, thereby enabling the Group of Companies to develop a larger number of projects up to approximately 8 - 10 projects per year. However, the Group of Companies will still be able to operate with its current level of resources, adding only to the working team and local partner.

At present, the Group of Companies is in negotiations with 2 - 3 target clients, comprising public limited companies in Thailand and companies in Japan, and is negotiating the terms of the Project Development Service Agreement with certain client. Revenue will be recognized in the form of service fees from the hire for development projects, gradually recognized in accordance with milestone completion of work.

2.3. Investment in businesses related to energy

The Group of Companies undertakes a strategy in striving to conduct businesses of interest, which are not yet undertaken by others, having no or less competition (Blue Ocean Strategy), with emphasis on the sourcing of projects and investment in businesses which can generate passive income in the long-term and support continuous growth.

2.3.1. Investment in businesses related to solar power projects in Thailand business

The Group of Companies will consider solar power projects which have been in operation for a long period with significantly degraded efficiency



arising from poor design or inappropriate equipment choice, causing degradation at a faster rate. The Group of Companies will then invest in a new set of equipment and machinery to fix those issues, but will not invest and hold shares in such companies, and receive revenue as a fixed share of revenues throughout the period of 10 - 15 years. At present, the Group of Companies is conducting studies in approximately 7 - 8 of such projects. However, it is not interested in solar rooftop projects which sells electricity to users with uncertain electricity demand.

2.3.2. Investment in other businesses related to energy in Thailand apart from renewable energy

The Group of Companies considers projects with operating issues having low ratings caused by the lack of appropriate management practices. The Group of Companies will then help mitigate risks, restructure operations, and invest in a new set of equipment and machinery, but will not invest and hold shares in such companies, and receive revenue as a fixed share throughout the period of 10 - 15 years. At present, the Group of Companies is currently conducting studies in approximately 2 of such projects.

Investors who are interested may re-watch through the Stock Exchange of Thailand's broadcasting channel or through <https://youtu.be/RMI7k9MLjB8>.

The Company will inform of development through the Stock Exchange of Thailand once the contract has been executed, and will comply with relevant regulations.

Please be informed accordingly.

Yours Sincerely,

(Mr. Podduang Kongkamee)
Chief Executive Officer