

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

Condensed Interim financial statements  
for the three-month period ended 31 March 2022

and

Independent Auditor's Report  
on review of interim financial information

## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the accompanying consolidated and separate statements of financial position as at 31 March 2022, the consolidated and separate statements of income and comprehensive income for the three-month period ended 31 March 2022, the consolidated and separate statements of changes in equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial information of SAAM Development Public Company Limited and its subsidiaries, and of SAAM Development Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Pitinan Lilamethwat)  
Certified Public Accountant  
Registration No. 11133

PKF Audit (Thailand) Ltd.  
Bangkok  
5 May 2022

## SAAM Development Public Company Limited and its subsidiaries

### Statement of financial position

As at 31 March 2022

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<i>(in thousand Baht)</i>					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	145,381	82,306	41,722	48,852
Short-term investments	6	67,883	67,850	62,319	62,319
Trade and other current receivables	7	9,409	8,321	16,839	12,843
Projects in progress	8	359	10,943	937	657
Short-term loans to related parties	4	-	-	30,354	30,322
Other current assets		2,999	4,167	1,068	960
<b>Total current assets</b>		<b>226,031</b>	<b>173,587</b>	<b>153,239</b>	<b>155,953</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	127,712	123,962
Investment properties	10	82,495	82,495	-	-
Property, plant and equipment	11	111,139	112,188	3,037	3,204
Right-of-use assets	12	31,033	31,956	9,621	10,122
Intangible assets		52	55	48	51
Deposit for purchase of land and equipment	22.1	25,298	26,832	-	-
Deferred tax assets		529	410	386	299
Other non-current assets		1,585	1,599	241	241
<b>Total non-current assets</b>		<b>252,131</b>	<b>255,535</b>	<b>141,045</b>	<b>137,879</b>
<b>Total assets</b>		<b>478,162</b>	<b>429,122</b>	<b>294,284</b>	<b>293,832</b>

## SAAM Development Public Company Limited and its subsidiaries

### Statement of financial position (continued)

As at 31 March 2022

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<b>Liabilities and shareholders' equity</b>					
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Trade and other current payables	13	3,843	2,384	2,399	1,018
Contract liabilities	14	26,010	28,918	26,010	26,010
Current portion of lease liabilities	15	3,066	3,302	1,708	1,894
Current portion of long-term loans from financial institution	16	11,498	14,212	-	-
Corporate income tax payable		2,134	1,710	-	-
Other current liabilities		724	904	302	514
<b>Total current liabilities</b>		<b>47,275</b>	<b>51,430</b>	<b>30,419</b>	<b>29,436</b>
<b>Non-current liabilities</b>					
Lease liabilities - net of current portion	15	18,912	19,965	6,296	7,063
Long-term loans from financial institution - net of current portion	16	47,604	50,011	-	-
Non-current provisions for employee benefits		2,307	1,927	2,070	1,678
<b>Total non-current liabilities</b>		<b>68,823</b>	<b>71,903</b>	<b>8,366</b>	<b>8,741</b>
<b>Total liabilities</b>		<b>116,098</b>	<b>123,333</b>	<b>38,785</b>	<b>38,177</b>

## SAAM Development Public Company Limited and its subsidiaries

### Statement of financial position (continued)

As at 31 March 2022

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<i>Note</i>	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<i>(in thousand Baht)</i>					
<b>Liabilities and shareholders' equity</b>					
<b>(continued)</b>					
<b>Shareholders' equity</b>					
Share capital	18				
Registered					
360,000,000 ordinary shares of Baht 0.50 each		180,000	180,000	180,000	180,000
Issued and fully paid up					
300,000,100 ordinary shares of Baht 0.50 each (2021: 300,000,000 ordinary shares of Baht 0.50 each)		150,000	150,000	150,000	150,000
Share premium		99,419	99,419	99,419	99,419
Deficit on business combination under common control		(577)	(689)	-	-
Deficit on acquisition of non-controlling interests		(453)	(453)	-	-
Retained earnings					
Appropriated - statutory reserve		4,258	4,258	4,258	4,258
Unappropriated		108,160	52,549	1,784	1,697
Other components of shareholders' equity		1,253	702	38	281
Equity attributable to owners of the Company		362,060	305,786	255,499	255,655
Non-controlling interests of the subsidiaries		4	3	-	-
<b>Total shareholders' equity</b>		<b>362,064</b>	<b>305,789</b>	<b>255,499</b>	<b>255,655</b>
<b>Total liabilities and shareholders' equity</b>		<b>478,162</b>	<b>429,122</b>	<b>294,284</b>	<b>293,832</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of income**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sale of goods		4,683	4,923	-	-
Revenue from rendering of services and rental		16,540	13,731	6,599	2,887
Dividend income from subsidiaries	4, 9	-	-	-	3,999
Gain on sales of investment in indirect subsidiaries	9	51,327	-	-	-
Net gain on exchange rate		-	939	-	-
Other income		219	344	3,183	3,151
<b>Total revenues</b>		<b>72,769</b>	<b>19,937</b>	<b>9,782</b>	<b>10,037</b>
<b>Expenses</b>					
Cost of sales of goods		1,525	1,572	-	-
Costs of rendering of services and rental		4,103	3,139	1,966	1,031
Selling and service expenses		41	55	41	55
Administrative expenses		8,771	4,087	5,241	3,593
Net loss on exchange rate		1,052	-	2,347	827
<b>Total expenses</b>		<b>15,492</b>	<b>8,853</b>	<b>9,595</b>	<b>5,506</b>
<b>Profit before finance cost and income tax expenses</b>		<b>57,277</b>	<b>11,084</b>	<b>187</b>	<b>4,531</b>
Finance cost		(650)	(846)	(82)	(123)
<b>Profit before income tax expenses</b>		<b>56,627</b>	<b>10,238</b>	<b>105</b>	<b>4,408</b>
Income tax expenses	17	(1,015)	(1,117)	(18)	(107)
<b>Profit for the period</b>		<b>55,612</b>	<b>9,121</b>	<b>87</b>	<b>4,301</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		55,611	9,122	87	4,301
Non-controlling interests of the subsidiaries		1	(1)		
		<b>55,612</b>	<b>9,121</b>		
<b>Earnings per share</b>					
<i>19</i>					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.1854	0.0304	0.0003	0.0143
Diluted earning per share					
Profit attributable to equity holders of the Company		0.1839	0.0304	0.0003	0.0143

**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>55,612</b>	<b>9,121</b>	<b>87</b>	<b>4,301</b>
<b>Other comprehensive income</b>				
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>				
Exchange differences on translation of financial statements in foreign currency	893	(332)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	893	(332)	-	-
<b><i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i></b>				
Loss on remeasurements of defined benefit plans	(283)	-	(304)	-
Income tax effect	58	-	61	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(225)	-	(243)	-
<b>Other comprehensive income for the period</b>	<b>668</b>	<b>(332)</b>	<b>(243)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>56,280</b>	<b>8,789</b>	<b>(156)</b>	<b>4,301</b>
<b>Total comprehensive income (expense) attributable to:</b>				
Equity holders of the Company	56,279	8,790	(156)	4,301
Non-controlling interests of the subsidiaries	1	(1)		
	<b>56,280</b>	<b>8,789</b>		

**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

<b>Consolidated financial statements</b>											
Equity attributable to owners of the Company											
	Issued and paid up share capital	Share premium	Deficit on business combination under common control	Deficit on acquisition of non-controlling interests	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 rereasurements of defined benefit plans			
Note	share capital	premium	common control	interests	statutory reserve	Unappropriated	in foreign currency	benefit plans	the Company	the subsidiaries	equity
						(in thousand Baht)					
<b>Balance as at 1 January 2021</b>	<b>150,000</b>	<b>####</b>	<b>(689)</b>	-	<b>3,651</b>	<b>40,454</b>	<b>228</b>	<b>267</b>	<b>293,330</b>	<b>(413)</b>	<b>292,917</b>
Profit for the period	-	-	-	-	-	9,122	-	-	9,122	(1)	9,121
Other comprehensive income for the period	-	-	-	-	-	-	(332)	-	(332)	-	(332)
Total comprehensive income for the period	-	-	-	-	-	9,122	(332)	-	8,790	(1)	8,789
Decrease in non-controlling interests from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	(1)	(1)
<b>Balance as at 31 March 2021</b>	<b>150,000</b>	<b>####</b>	<b>(689)</b>	-	<b>3,651</b>	<b>49,576</b>	<b>(104)</b>	<b>267</b>	<b>302,120</b>	<b>(415)</b>	<b>301,705</b>
<b>Balance as at 1 January 2022</b>	<b>150,000</b>	<b>####</b>	<b>(689)</b>	<b>(453)</b>	<b>4,258</b>	<b>52,549</b>	<b>435</b>	<b>267</b>	<b>305,786</b>	<b>3</b>	<b>305,789</b>
Profit for the period	-	-	-	-	-	55,611	-	-	55,611	1	55,612
Other comprehensive income for the period	-	-	-	-	-	-	893	(225)	668	-	668
Total comprehensive income for the period	-	-	-	-	-	55,611	893	(225)	56,279	1	56,280
Disposal of investments in indirect subsidiaries	-	-	112	-	-	-	(117)	-	(5)	-	(5)
<b>Balance as at 31 March 2022</b>	<b>150,000</b>	<b>####</b>	<b>(577)</b>	<b>(453)</b>	<b>4,258</b>	<b>108,160</b>	<b>1,211</b>	<b>42</b>	<b>362,060</b>	<b>4</b>	<b>362,064</b>

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



**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

	<b>Separate financial statements</b>					Gain ( Loss ) on remeasurements of defined benefit plans	Total equity
	Issued and paid up share capital	Share premium	Retained earnings				
			Appropriated - statutory reserve	Unappropriated			
			<i>(in thousand Baht)</i>				
<b>Balance as at 1 January 2021</b>	<b>150,000</b>	<b>99,419</b>	<b>3,651</b>	<b>5,161</b>	<b>281</b>	<b>258,512</b>	
Total comprehensive income for the period	-	-	-	4,301	-	4,301	
<b>Balance as at 31 March 2021</b>	<b>150,000</b>	<b>99,419</b>	<b>3,651</b>	<b>9,462</b>	<b>281</b>	<b>262,813</b>	
<b>Balance as at 1 January 2022</b>	<b>150,000</b>	<b>99,419</b>	<b>4,258</b>	<b>1,697</b>	<b>281</b>	<b>255,655</b>	
Profit for the period	-	-	-	87	-	87	
Other comprehensive income for the period	-	-	-	87	(243)	(156)	
Total comprehensive income for the period	-	-	-	174	(243)	(69)	
<b>Balance as at 31 March 2022</b>	<b>150,000</b>	<b>99,419</b>	<b>4,258</b>	<b>1,784</b>	<b>38</b>	<b>255,499</b>	

**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of cash flows**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit before tax	56,627	10,238	105	4,408
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities:				
Unrealised (gain) loss on exchange rate	(73)	(939)	2,347	827
Gain on measurement of fair value of derivatives	-	(153)	-	-
Depreciation and amortisation	2,481	2,503	736	765
Loss on write-off assets	1,459	-	4	-
Gain on sales of investment in indirect subsidiaries	9	(51,327)	-	-
Increase in provision for long-term employee benefits	97	79	88	69
Dividend income	4	-	-	(3,999)
Interest income	(96)	(161)	(181)	(241)
Interest expenses	621	805	80	102
Profit from operating activities before changes in operating assets and liabilities	9,789	12,372	3,179	1,931
Operating assets (increase) decrease				
Trade and other current receivables	(1,042)	(1,257)	(4,490)	(850)
Project in progress	-	-	(280)	-
Other current assets	1,278	81	3	(3)
Other non-current assets	14	15	-	-
Operating liabilities increase (decrease)				
Trade and other current payables	1,640	(260)	1,381	(85)
Contract liability	(2,883)	-	-	-
Other current liabilities	(180)	(354)	(212)	(400)
Cash flows from (paid) operating activities	8,616	10,597	(419)	593
Cash received from withholding tax refundable	-	603	-	603
Cash paid for income tax	(762)	(785)	(154)	(155)
<b>Net cash flows from (paid) operating activities</b>	<b>7,854</b>	<b>10,415</b>	<b>(573)</b>	<b>1,041</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**Statement of cash flows (continued)**  
**For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Note</i>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Cash paid for acquisition of equipments	(510)	-	(70)	-
Cash paid to provide short-term loans to related party	4	-	(1,722)	-
Increase of short-term investment	(33)	(5,530)	-	-
Cash received from interest income	50	114	17	104
Cash received from disposal of investment in indirect subsidiaries	9	61,636	-	-
Cash paid for acquisition of investment in subsidiary	-	-	(3,750)	-
<b>Net cash flows (paid) from investing activities</b>	<b>61,143</b>	<b>(5,416)</b>	<b>(5,525)</b>	<b>104</b>
<b><i>Cash flows from financing activities</i></b>				
Cash paid for lease liabilities	15	(1,289)	(1,256)	(953)
Repayment of long-term loans from financial institution	16	(5,121)	(4,927)	-
Cash received from exercised warrants	1	-	1	-
Cash paid for interest expenses	(651)	(834)	(80)	(102)
Decrease in non-controlling interest from dividend payment	-	(1)	-	-
<b>Net cash flows used in financing activities</b>	<b>(7,060)</b>	<b>(7,018)</b>	<b>(1,032)</b>	<b>(1,033)</b>
Effect of exchange rate changes on cash and cash equivalents	1,138	(32)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>63,075</b>	<b>(2,051)</b>	<b>(7,130)</b>	<b>112</b>
Cash and cash equivalents at beginning of period	82,306	101,097	48,852	68,624
<b>Cash and cash equivalents at end of period</b>	<b>145,381</b>	<b>99,046</b>	<b>41,722</b>	<b>68,736</b>

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

## **Notes to the condensed interim financial statements**

### **For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

#### **1. General information**

SAAM 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 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 and non-energy businesses.

#### **2. Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, statements of income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are prepared to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

##### **2.1 Basis of consolidation**

The interim consolidated financial statements include the financial statements of SAAM Development Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (together referred to as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021.

##### **2.2 Coronavirus disease 2019 pandemic**

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

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

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

#### 3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

#### 4. Related party transactions

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

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

<u>Name of entities</u>	<u>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 fees are charged at the amount stated in the agreements.
2. Interest on loans are charged at 1.25 percent per annum (2021: 1.25 percent per annum).
3. Dividend income is recognised when declared and the right to receive the dividends is established.

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	4,461	676
Management income	-	-	2,880	2,880
Dividend income	-	-	-	3,999
Interest income	-	-	92	89

As at 31 March 2022 and 31 December 2021, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><u>Trade and other accounts receivable - related parties (Note 7)</u></b>				
Subsidiaries	-	-	14,652	10,772
Total	-	-	14,652	10,772
<b><u>Projects in progress</u></b>				
Subsidiary	-	-	578	298
Total	-	-	578	298
<b><u>Trade accounts payable - related party (Note 13)</u></b>				
Subsidiary	-	-	280	298
Total	-	-	280	298

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

#### Short-term loans to related parties

As at 31 March 2022 and 31 December 2021, the balance of loans between the Company and those related companies and the movement are as follows:

Short-term loans to	Related by	Separate financial statements				
		Balance as at 31 December 2021	During the period		Unrealised loss on exchange rate	Balance as at 31 March 2022
			Increase	Decrease		
			<i>(in thousand Baht)</i>			
SAAM Three Co., Ltd.	Subsidiary	4,500	-	-	-	4,500
SAAM International Limited	Subsidiary	25,822	-	-	(1,584)	24,238
SAAM Japan Energy GK	Subsidiary	-	1,722	-	(106)	1,616
Total		30,322	1,722	-	(1,690)	30,354

#### Directors and management's benefits

During the three-month periods ended 31 March 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	For the three-month period ended 31 March	
	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Short-term employee benefits	1,953	1,370
Post-employment benefits	56	39
Total	2,009	1,409

#### 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.

The Company entered into the management services agreement in developing Biomass Energy projects in Japan with SAAM Japan Energy GK, the subsidiary. The agreement is effective from 1 October 2021 until cancelled by each party. Under the agreements, the Company have to pay quarterly service fee at the rates as stipulated in the agreement.

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 5. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash	83	94	9	15
Bank deposits	130,260	67,191	26,675	33,816
Highly liquid short-term investments	15,038	15,021	15,038	15,021
Total	<u>145,381</u>	<u>82,306</u>	<u>41,722</u>	<u>48,852</u>

As at 31 March 2022, bank deposits in saving accounts carried interest of 0.05 - 0.10 percent per annum (31 December 2021: 0.05 - 0.10 percent per annum). The highly liquid short-term investments are 3-month fixed deposits at banks. The fixed deposits earn interest at 0.40 percent per annum (31 December 2021: 3-month fixed deposits, carried interest at 0.45 percent per annum) and will mature in May 2022.

### 6. Short-term investments

	Consolidated financial statements			
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<i>(Interest rate per annum)</i>		<i>(in thousand Baht)</i>	
Short-term deposits at financial institution	0.45 - 0.50	0.45 - 0.60	<u>67,883</u>	<u>67,850</u>
Total			<u><u>67,883</u></u>	<u><u>67,850</u></u>

  

	Separate financial statements			
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<i>(Interest rate per annum)</i>		<i>(in thousand Baht)</i>	
Short-term deposits at financial institution	0.45 - 0.50	0.45 - 0.50	<u>62,319</u>	<u>62,319</u>
Total			<u><u>62,319</u></u>	<u><u>62,319</u></u>



# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 7. Trade and other current receivables

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<u>Trade accounts receivable - related parties</u>				
(Note 4)				
Aged on the basis of due dates				
Within credit terms	-	-	4,461	162
Overdue:				
Less than 3 months	-	-	152	655
3 - 6 months	-	-	615	689
6 - 12 months	-	-	1,297	1,397
Over 12 months	-	-	7,645	7,440
Total trade accounts receivable				
- related parties	-	-	14,170	10,343
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Within credit terms	8,386	7,601	1,499	1,577
Total trade accounts receivable				
- unrelated parties	8,386	7,601	1,499	1,577
<u>Other receivables</u>				
Advance to employee	22	-	10	-
Accrued interest income - related parties				
(Note 4)	-	-	422	353
Accrued interest income - unrelated party	84	37	83	12
Other receivables - related parties				
(Note 4)	-	-	60	76
Prepaid expenses	802	586	595	482
Value added tax refundable	115	97	-	-
Total other receivables	1,023	720	1,170	923
Total	9,409	8,321	16,839	12,843

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 8. Projects in progress

The book value of projects in progress as at 31 March 2022 and 31 December 2021 is presented below.

	Consolidated financial statements					
	Cost		Translation adjustment		Project in progress-net	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Grid application	-	121	-	5	-	126
Grid interconnection	-	8,451	-	(70)	-	8,381
Consultation fee	359	1,942	-	(14)	359	1,928
Others	-	510	-	(2)	-	508
<b>Total</b>	<b>359</b>	<b>11,024</b>	<b>-</b>	<b>(81)</b>	<b>359</b>	<b>10,943</b>

	Separate financial statements	
	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Consultation fee	937	657
<b>Total</b>	<b>937</b>	<b>657</b>

Movements of projects in progress during the three-month period ended 31 March 2022 are summarised below:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b>Balance as at 31 December 2021</b>	10,943	657
Acquisitions during the period	-	280
Disposal of investment in indirect subsidiaries (Note 9)	(10,314)	-
Translation adjustment	(270)	-
<b>Balance as at 31 March 2022</b>	<b>359</b>	<b>937</b>

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 9. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the three-month period ended	
	31	31	31	31	31	31	31	31
	March 2022	December 2021	March 2022	December 2021	March 2022	December 2021	March 2022	March 2021
	<i>(in thousand Baht)</i>		<i>(percent)</i>		<i>(in thousand Baht)</i>			
SAAM One Co., Ltd.	4,000	4,000	100	100	4,000	4,000	-	2,200
SAAM Two Co., Ltd.	1,500	1,500	100	100	1,500	1,500	-	1,799
SAAM Three Co., Ltd.	30,000	30,000	100	100	30,000	30,000	-	-
SAAM Solutions Co., Ltd.	6,000	2,250	100	100	6,000	2,250	-	-
SAAM Solar Power One Co., Ltd.	40,000	40,000	100	100	39,999	39,999	-	-
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	-	-
SAAM Japan Energy GK	JPY 1 million	JPY 1 million	100	100	302	302	-	-
Total					<u>127,712</u>	<u>123,962</u>	<u>-</u>	<u>3,999</u>

#### 9.1 SAAM Solutions Co., Ltd.

On 22 March 2022, SAAM Solutions Co., Ltd. called up share capital in total of Baht 3.75 million which increased the paid-up share capital from Baht 25 to Baht 100 per share of 50,000 ordinary shares. The Company made payment for the shares on 24 March 2022.

#### 9.2 Biomass Power Three GK (BMP-3) and Biomass Power Four GK (BMP-4)

On 22 February 2022, the Executive Committee Meeting approved the disposition of investments in BMP-3 and BMP-4 which the Company indirectly held 100% stake, in a total price of Yen 218.8 million or equivalent to Baht 61.6 million. The effect of the disposal of investment in BMP-3 and BMP-4 on the consolidated statement of financial position at the date that the Group's control over BMP-3 and BMP-4 ceased was as follows:

Projects in progress	<i>(in thousand Baht)</i>
	<u>10,314</u>
<b>Net assets</b>	<b><u>10,314</u></b>
Less Translating foreign operation	(117)
Add Deficit on business combination under common control	<u>112</u>
<b>Carrying amounts of interest in indirect subsidiaries</b>	<b><u>10,309</u></b>

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

Gain on sales of investment in indirect subsidiaries recognised in the consolidated statement of comprehensive income was as follow:

	<i>(in thousand Baht)</i>
Disposal proceeds	61,636
Less carrying amounts of interest in indirect subsidiaries	<u>(10,309)</u>
<b>Gain on sales of investment in indirect subsidiaries</b>	<b><u>51,327</u></b>

#### 10. 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 three-month periods ended 31 March 2022 and 2021, the subsidiary has rental income related to these rental agreements as follows.

	<u>For the three-month period ended 31 March</u>	
	<u>Consolidated financial statements</u>	
	<u>2022</u>	<u>2021</u>
	<i>(in thousand Baht)</i>	
Rental income	3,288	3,288

As at 31 March 2022, the subsidiary has pledged its land which has net book value amounting to approximately Baht 82.5 million (31 December 2021: Baht 82.5 million) as collateral against credit facilities received from a financial institution as described in Note 16 to the financial statements.

#### 11. Property, plant and equipment

Movements of property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
	<i>(in thousand Baht)</i>	
<b>Net book value as at 31 December 2021</b>	112,188	3,204
Acquisitions during the period - at cost	510	70
Write-off during the period - net book value		
as of write-off date	(4)	(4)
Depreciation for period	<u>(1,555)</u>	<u>(233)</u>
<b>Net book value as at 31 March 2022</b>	<b><u>111,139</u></b>	<b><u>3,037</u></b>

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

As at 31 March 2022, certain items of plant and equipment of the Group and the Company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 7.6 million and 4.6 million, respectively (31 December 2021: Baht 7.5 million and Baht 4.5 million, respectively).

The subsidiaries have pledged their land and construction amounting to approximately Baht 106.1 million (31 December 2021: Baht 107.2 million) as collateral against credit facilities received from financial institutions as described in Note 16 to the financial statements.

#### 12. Right-of-use assets

Movements of right-of-use assets account during the three-month period ended 31 March 2022 are summarised below.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b>Net book value as at 31 December 2021</b>	31,956	10,122
Amortisation for the period	(923)	(501)
Net book value as at 31 March 2022	<u>31,033</u>	<u>9,621</u>

#### 13. Trade and other current payables

	Consolidated financial statements		Separate financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Trade accounts payable - related party (Note 4)	-	-	280	298
Trade accounts payable - unrelated parties	1,466	473	1,094	82
Accrued expenses	889	1,048	444	409
Other payables	839	206	477	140
Accrued interest expense	339	369	-	-
Value added tax payable	310	288	104	89
Total	<u>3,843</u>	<u>2,384</u>	<u>2,399</u>	<u>1,018</u>

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 14. Contract liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Advance received from customers for project development services	26,010	28,918	26,010	26,010

Movements of contract liabilities during the three-month period ended 31 March 2022 are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<i>(in thousand Baht)</i>			
<b>Balance as at 31 December 2021</b>		28,918		26,010
<i>Less</i> Revenue from rendering development service of Biomass Power Projects in Japan recognised during the period		(2,883)		-
Translation adjustment		(25)		-
Balance as at 31 March 2022		<u>26,010</u>		<u>26,010</u>

### 15. Lease liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Lease liabilities	25,963	27,469	9,233	10,266
<i>Less</i> Deferred interest expense	(3,985)	(4,202)	(1,229)	(1,309)
Total	21,978	23,267	8,004	8,957
<i>Less</i> Current portion	(3,066)	(3,302)	(1,708)	(1,894)
Lease liabilities - net of current portion	<u>18,912</u>	<u>19,965</u>	<u>6,296</u>	<u>7,063</u>

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

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

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

	Consolidated financial statements							
	31 March 2022				31 December 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>							
Future minimum lease payments	3,872	12,139	9,952	25,963	4,136	12,074	11,259	27,469
Deferred interest expenses	(806)	(2,337)	(842)	(3,985)	(834)	(2,426)	(942)	(4,202)
Present value of future minimum lease payments	<u>3,066</u>	<u>9,802</u>	<u>9,110</u>	<u>21,978</u>	<u>3,302</u>	<u>9,648</u>	<u>10,317</u>	<u>23,267</u>
	Separate financial statements							
	31 March 2022				31 December 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>							
Future minimum lease payments	2,000	5,305	1,928	9,233	2,201	5,263	2,802	10,266
Deferred interest expenses	(292)	(772)	(165)	(1,229)	(307)	(810)	(192)	(1,309)
Present value of future minimum lease payments	<u>1,708</u>	<u>4,533</u>	<u>1,763</u>	<u>8,004</u>	<u>1,894</u>	<u>4,453</u>	<u>2,610</u>	<u>8,957</u>

## SAAM Development Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

#### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

Changes in lease account during the three-month periods ended 31 March 2022 and 2021 are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>The three-month period ended</i></b>				
<b><i>31 March</i></b>				
<b><i>Recognized in profit or loss</i></b>				
Interest paid on lease liabilities	217	251	80	102
Expenses related to leases of				
low-value assets	11	11	11	11

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the three-month period ended 31 March 2022 were Baht 1.29 million and Baht 0.95 million, respectively (31 March 2021: Baht 1.26 million and Baht 0.93 million, respectively).



## SAAM Development Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

#### 16. Long-term loans from financial institution

The detail of long-term loans from financial institution as at 31 March 2022 and 31 December 2021 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>	31 March 2022 <i>(in thousand Baht)</i>	31 December 2021
<u>Subsidiaries</u>							
<b>SAAM Three Co., Ltd.</b>							
1.	Bank	70	76 monthly installments with the first installment due on 7 April 2016. Total 76 installments	Land classified as investment properties of the subsidiary company	MLR - 1.5	3,750	6,531
<b>SAAM Solar Power One Co., Ltd.</b>							
2.	Bank	95.2	51 quarterly installments with the first installment due on 7 April 2016. Total 51 installments	Mortgage of the subsidiary company's ordinary shares, land and construction thereon	BIBOR 3 month + 2	55,352	57,692
Total long-term loans from financial institution						59,102	64,223
Less: current portion						(11,498)	(14,212)
Long-term loans from financial institutions - net of current portion						47,604	50,011

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

Movements in the long-term loans account for the three-month period ended 31 March 2022 are summarised below.

	Consolidated financial statements
	<i>(in thousand Baht)</i>
<b>Balance as at 31 December 2021</b>	64,223
Less: Repayment	(5,121)
Balance as at 31 March 2022	<u>59,102</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.

#### 17. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year. Income tax expense for the three-month periods ended 31 March 2022 and 2021 are made up as follows:

	For the three-month period ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current income tax:</b>				
Current corporate income tax charge	1,076	1,023	44	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(61)	94	(26)	107
<b>Income tax expenses reported in the income statement</b>	<u>1,015</u>	<u>1,117</u>	<u>18</u>	<u>107</u>

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 18. Share Capital

#### Warrants

The Company has outstanding warrants to subscribe for ordinary shares to existing shareholders of the Company as follows:

Issued by	Allocated to	Issued date	Determined exercising date		Warrant	Exercise ratio	
			First exercise	Last exercise		shares per 1 warrant	Exercise price
					(Million unit)		(Baht)
The Company	Existing shareholder (SAAM-W1)	20 October 2021	17 January 2022	19 October 2022	30	1:1	7.5
The Company	Existing shareholder (SAAM-W2)	20 October 2021	17 January 2022	19 October 2024	30	1:1	11
	Total issuance by the Company				<u>60</u>		

On 17 January 2022, the SAAM-W1 warrant holders exercised 100 warrants to purchase 100 newly issued ordinary shares with a par value of Baht 0.5 each, at an exercise price of Baht 7.5 per share. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 20 January 2022.

### 19. 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

Details of calculation of earnings per share for the three-month period ended 31 March 2022 and 2021 are as below.

	For the three-month periods ended 31 March					
	Consolidated financial statements					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2022	2021	2022	2021	2022	2021
<i>(Thousand Baht)</i>		<i>(Thousand shares)</i>		<i>(Baht per share)</i>		
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	55,611	9,122	300,000	300,000	0.1854	0.0304
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (SAAM-W1)	-	-	2,391	-		
<b>Diluted earnings per share</b>						
Profit attributable to equity holders of the Company assuming the conversion of the options to ordinary shares	55,611	9,122	302,391	300,000	0.1839	0.0304
	For the three-month period ended 31 March					
	Separate financial statements					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2022	2021	2022	2021	2022	2021
<i>(Thousand Baht)</i>		<i>(Thousand shares)</i>		<i>(Baht per share)</i>		
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	87	4,301	300,000	300,000	0.0003	0.0143
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (SAAM-W1)	-	-	2,391	-		
<b>Diluted earnings per share</b>						
Profit attributable to equity holders of the Company assuming the conversion of the options to ordinary shares	87	4,301	302,391	300,000	0.0003	0.0143

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

### 20. Segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2022 and 2021, respectively.

	For the three-month periods ended 31 March							
	Development service		Distribute of electricity		Adjustments and elimination		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>							
Revenue from sales, services and rental	21,002	14,407	4,683	4,923	(4,462)	(676)	21,223	18,654
Cost of sales, services and rental	(4,262)	(3,815)	(1,525)	(1,572)	159	676	(5,628)	(4,711)
Gross profit	<u>16,740</u>	<u>10,592</u>	<u>3,158</u>	<u>3,351</u>	<u>(4,303)</u>	<u>-</u>	<u>15,595</u>	<u>13,943</u>
Gain on sales of investment in indirect subsidiaries							51,327	-
Gain (loss) on exchange rate							(1,052)	939
Other income							219	344
Selling and service expenses							(41)	(55)
Administrative expenses							(8,771)	(4,087)
Finance cost							(650)	(846)
Income tax expenses							(1,015)	(1,117)
Non-controlling interests of the subsidiaries							(1)	1
Profit for the period							<u>55,611</u>	<u>9,122</u>

### 21. Financial instruments

#### 22.1 Interest rate risk

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

#### 22.2 Foreign currency risk

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

# SAAM Development Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

As at 31 March 2022 and 31 December 2021, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements	financial statements	financial statements	financial statements	Exchange rate as at	Exchange rate as at
	31	31	31	31	31	31
	March	December	March	December	March	December
	2022	2021	2022	2021	2022	2021
	<i>(in million)</i>				<i>(Baht per 1 foreign currency unit)</i>	
<b>Financial assets</b>						
US dollar	0.7	0.7	-	-	33.1393	33.2469
Yen	-	-	150	127.2	0.2693	0.2869
<b>Financial liability</b>						
Yen	-	-	1	1	0.2764	0.2944

### 22.3 Fair value of Financial instruments

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

## 22. Commitments and contingencies

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

### 22.1 Capital commitments

On 12 May 2015, SAAM Solar Power Two Co., Ltd, a subsidiary company, entered into 25-year power purchase agreement with a government unit with respect to the purchase of solar power generated by the ground-mount solar plant located in Amphur Deelung, Lopburi province which to commence commercial electricity sale by 31 December 2015.

Subsequently on 21 May 2015, an event of force majeure occurred, causing the subsidiary company to relocate the solar power plant to Phetchaburi province. The committee of the government unit agreed that it was a force majeure event but they did not approve the relocation of the solar power plant. As a result, the subsidiary failed to commence commercial electricity sale by the specified date. The government unit then sent a letter to the subsidiary, notifying its intention to cancel the 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.

## SAAM Development Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

#### For the three-month period ended 31 March 2022 (Unaudited but reviewed)

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 March 2022, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (31 December 2021: Baht 4.8 million). The subsidiary presented this construction cost under “Construction in progress” amounting to Baht 3.5 million (31 December 2021: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (31 December 2021: 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 2021: 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 March 2022, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 24 million (31 December 2021: Baht 24.1 million). The subsidiary company presented this deposit for main equipment under “Deposit for equipment” in the consolidated statement of financial position. The subsidiary company had remaining commitments in respect of the Main Equipment Supply contract by the completed milestone totaling USD 2.1 million (31 December 2021: USD 2.1 million).

Regarding the above mentioned occurrence of force 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.

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

### **Notes to the condensed interim financial statements**

#### **For the three-month period ended 31 March 2022 (Unaudited but reviewed)**

Currently, the lawsuit is under the consideration of the Supreme Administrative Court. The Group's management considered an opinion of the Company's legal counsel, the commitments under the agreements and consequences from terminating related contracts early and believed that the deposits for the main equipment are valuable until the litigation process is finalised. In addition, in case of early termination of the Main Equipment Supply contract, the subsidiary has the right to receive a full refund. Therefore, as at 31 March 2022, the Group's management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

#### **22.2 Commitment for sell and purchase of land agreement**

SAAM Three Co., Ltd., a subsidiary company, entered into an agreement to sell and to purchase land with a third party who was an owner of the land where the solar power plant of SAAM Solar Power Two Co., Ltd. will be located in, which currently the lawsuit has not been finalised as mentioned in Note 22.1. This causes sell and purchase of land agreement has been postponed. To maintain the rights under the sell and purchase agreement, the subsidiary agreed to pay to the land owner the rental amounting to Baht 0.3 million per year as a compensation until the lawsuit is finalised (31 December 2021: 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 2021: Baht 14.6 million).

#### **22.3 Operating lease commitment**

The Company entered into a three-year agreement with respect to equipment rental and related facility service for the Group operation. This agreement will expire in January 2023. The Company is obliged to pay a monthly rental and service fee of approximately Baht 3,500 (31 December 2021: 3,500 Baht).

#### **22.4 Service commitment**

The Company entered into a long-term agreement with a third party for land and solar power plant management in Phetchaburi province. This agreement will expire in 2030. The Company is obliged to pay a yearly service fee totaling approximately Baht 0.17 million (31 December 2021: Baht 0.17 million).

The Company entered into the management services agreement in developing Biomass Energy Projects in Japan. This agreement has 1 year duration and shall be automatically renewed until cancelled by each party. The Company is obliged to pay a quarterly service fee totaling Yen 0.13 million per project undergoing development.



## SAAM Development Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

For the three-month period ended 31 March 2022 (Unaudited but reviewed)

#### 22.5 Other Commitment

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>(in million Baht)</i>	
Bank guarantee	-	1,500
Total	-	1,500

#### 23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 5 May 2022