

**SAAM Development Public Company Limited  
and its subsidiaries  
(Formerly known as “SAAM Energy Development  
Public Company Limited”)**

Financial statements  
for the year ended 31 December 2021

and

Independent Auditor’s Report

## Independent Auditor’s Report

**To the Shareholders of SAAM Development Public Company Limited  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

### Opinion

I have audited the consolidated and separate financial statements of SAAM Development Public Company Limited and its subsidiaries (the “Group”) and of SAAM Development Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021 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><b>Projects in progress</b></p> <p>As disclosed in the Note 8 to the financial statements, the Company and indirect subsidiaries are in the process of developing renewable energy projects. Projects in progress comprised the costs and fees of grid application, METI certification, grid interconnection, consultation and other expenses which directly related to the projects. Management needed to exercise substantial judgment in considering and recording these projects in progress.</p>	<p>Key audit procedures included:</p> <p>I audited the project in progress in the Company, and directed and supervised the work of the component auditor related to projects in progress in the indirect subsidiaries to obtain sufficient and appropriate audit evidence on the following:</p> <ul style="list-style-type: none"> <li>• Management’s identification of the valuation of projects in progress by obtaining an understanding of management’s process and assessing the</li> </ul>



The key audit matter	How the matter was addressed in the audit
	<p>progress and the possibility of sale of the projects in progress.</p> <ul style="list-style-type: none"> <li>• Reviewing whether the recording of projects in progress was in accordance with Thai Financial Reporting Standards.</li> <li>• The recording of purchase and payment transactions related to the projects in progress during the year (If any)</li> <li>• Examination of representative samples of projects in progress transactions against supporting documents for the additions occurring during the year (If any)</li> </ul> <p>In addition, I reviewed the disclosure of information related to projects in progress in the consolidated notes to financial statements.</p>
<p><b>Investments in subsidiaries</b></p> <p>As disclosed in Note 9 to the consolidated financial statements, as at 31 December 2021, the Company has investments in subsidiaries amounting to Baht 124 million, which is a significant amount. In assessing any potential impairment of these investments, 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"> <li>• Understanding of management’s process of assessing impairment.</li> <li>• Performing substantive testing as follows: <ul style="list-style-type: none"> <li>- Examining the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries.</li> <li>- Assessing management’s process of selecting a financial model.</li> <li>- 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</li> <li>- Comparing past cash flows projections with actual operating results.</li> </ul> </li> </ul>

**Other Information**

Management is responsible for the other information. The other information comprises 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 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  
 15 February 2022

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**

**Statement of financial position**

**As at 31 December 2021**

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	82,305,963	101,097,108	48,852,042	68,624,309
Short-term investments	6	67,849,949	21,650,489	62,319,413	21,650,489
Trade and other current receivables	7	8,321,031	8,088,814	12,842,796	10,389,878
Projects in progress	8	10,943,366	10,586,128	657,117	-
Short-term loans to related parties	4	-	-	30,321,990	29,384,460
Other current assets		4,166,594	4,294,344	960,097	1,084,466
<b>Total current assets</b>		<b>173,586,903</b>	<b>145,716,883</b>	<b>155,953,455</b>	<b>131,133,602</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	123,961,891	123,660,561
Investment properties	10	82,494,500	82,494,500	-	-
Property, plant and equipment	11	112,187,880	118,469,796	3,204,126	4,129,896
Right-of-use assets	12	31,956,386	36,471,692	10,121,981	12,945,619
Intangible assets	13	54,957	68,025	50,803	63,226
Deposit for purchase of land and equipment	29.1	26,831,752	24,382,409	-	-
Deferred tax assets	21	410,717	477,577	298,794	408,604
Other non-current assets		1,599,198	1,656,647	240,900	240,900
<b>Total non-current assets</b>		<b>255,535,390</b>	<b>264,020,646</b>	<b>137,878,495</b>	<b>141,448,806</b>
<b>Total assets</b>		<b>429,122,293</b>	<b>409,737,529</b>	<b>293,831,950</b>	<b>272,582,408</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of financial position (continued)**  
**As at 31 December 2021**

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other current payables	14	2,383,562	2,611,468	1,018,244	673,344
Contract liabilities	15	28,917,637	-	26,010,000	-
Current portion of liabilities under lease agreements	16	3,301,807	3,242,132	1,893,936	1,907,985
Current portion of long-term loans from financial institution	17	14,212,477	18,225,847	-	-
Corporate income tax payable		1,710,434	1,694,520	-	-
Derivative liability	27	-	442,166	-	-
Other current liabilities		904,658	937,123	513,473	563,235
<b>Total current liabilities</b>		<b>51,430,575</b>	<b>27,153,256</b>	<b>29,435,653</b>	<b>3,144,564</b>
<b>Non-current liabilities</b>					
Liabilities under lease agreements - net of current portion	16	19,965,231	23,832,128	7,063,382	9,522,408
Long-term loans from financial institution - net of current portion	17	50,010,800	64,223,277	-	-
Non-current provisions for employee benefits	18	1,926,630	1,612,153	1,677,815	1,403,003
<b>Total non-current liabilities</b>		<b>71,902,661</b>	<b>89,667,558</b>	<b>8,741,197</b>	<b>10,925,411</b>
<b>Total liabilities</b>		<b>123,333,236</b>	<b>116,820,814</b>	<b>38,176,850</b>	<b>14,069,975</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of financial position (continued)**  
**As at 31 December 2021**

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity (continued)</b>		<i>(in Baht)</i>			
<b>Shareholders' equity</b>					
Share capital					
Registered					
360,000,000 ordinary shares of Baht 0.50 each	23	180,000,000	150,000,000	180,000,000	150,000,000
(2020: 300,000,000 ordinary shares of Baht 0.50 each)					
Issued and fully paid up					
300,000,000 ordinary shares of Baht 0.50 each		150,000,000	150,000,000	150,000,000	150,000,000
Share premium		99,418,659	99,418,659	99,418,659	99,418,659
Deficit on business combination under common control					
		(688,926)	(688,926)	-	-
Deficit on acquisition of non-controlling interests	9	(453,363)	-	-	-
Retained earnings					
Appropriated - statutory reserve	19	4,257,973	3,650,840	4,257,973	3,650,840
Unappropriated		52,549,163	40,454,018	1,697,496	5,161,962
Other components of shareholders' equity		702,243	495,424	280,972	280,972
Equity attributable to owners of the Company		305,785,749	293,330,015	255,655,100	258,512,433
Non-controlling interests of the subsidiaries		3,308	(413,300)	-	-
<b>Total shareholders' equity</b>		<b>305,789,057</b>	<b>292,916,715</b>	<b>255,655,100</b>	<b>258,512,433</b>
<b>Total liabilities and shareholders' equity</b>		<b>429,122,293</b>	<b>409,737,529</b>	<b>293,831,950</b>	<b>272,582,408</b>



**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of income**  
**For the year ended 31 December 2021**

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Revenues</b>					
Revenue from sale of goods		16,880,385	17,037,938	-	-
Revenue from rendering of services and rental		54,923,040	54,923,040	11,052,849	11,617,175
Dividend income from subsidiaries	4	-	-	10,499,099	15,799,258
Net gain on exchange rate		2,418,638	-	11,294	1,837,444
Other income		1,210,309	1,399,809	12,586,000	12,906,311
<b>Total revenues</b>		<b>75,432,372</b>	<b>73,360,787</b>	<b>34,149,242</b>	<b>42,160,188</b>
<b>Expenses</b>					
Cost of sales of goods		6,231,811	6,163,828	-	-
Costs of rendering of services and rental		12,659,936	13,386,767	3,954,043	3,829,058
Selling and service expenses		353,167	220,043	203,167	220,043
Administrative expenses		19,900,378	19,070,826	16,566,380	15,141,698
Net loss on exchange rate		-	769,465	-	-
<b>Total expenses</b>		<b>39,145,292</b>	<b>39,610,929</b>	<b>20,723,590</b>	<b>19,190,799</b>
<b>Profit before finance cost and income tax expenses</b>		<b>36,287,080</b>	<b>33,749,858</b>	<b>13,425,652</b>	<b>22,969,389</b>
Finance cost		(3,157,816)	(3,653,839)	(498,614)	(182,487)
<b>Profit before income tax expenses</b>		<b>33,129,264</b>	<b>30,096,019</b>	<b>12,927,038</b>	<b>22,786,902</b>
Income tax expenses	21	(5,436,755)	(5,857,320)	(784,371)	(1,450,352)
<b>Profit for the year</b>		<b>27,692,509</b>	<b>24,238,699</b>	<b>12,142,667</b>	<b>21,336,550</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		27,702,278	24,272,329	12,142,667	21,336,550
Non-controlling interests of the subsidiaries		(9,769)	(33,630)	-	-
		<b>27,692,509</b>	<b>24,238,699</b>		
<b>Basic earnings per share (Baht)</b>					
Profit attributable to equity holders of the Company	24	0.092	0.081	0.040	0.071
Weighted average number of ordinary shares (Shares)		300,000,000	300,000,000	300,000,000	300,000,000
<b>Diluted earning per share (Baht)</b>					
Profit attributable to equity holders of the Company	24	0.092	0.081	0.040	0.071
Weighted average number of ordinary shares (Shares)		300,000,000	300,000,000	300,000,000	300,000,000

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of comprehensive income**  
**For the year ended 31 December 2021**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<b>Profit for the year</b>	<b>27,692,509</b>	<b>24,238,699</b>	<b>12,142,667</b>	<b>21,336,550</b>
<b>Other comprehensive income:</b>				
<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	192,767	1,733,539	-	-
<b>Other comprehensive income for the year</b>	<b>192,767</b>	<b>1,733,539</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>27,885,276</b>	<b>25,972,238</b>	<b>12,142,667</b>	<b>21,336,550</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	27,909,097	26,024,430	12,142,667	21,336,550
Non-controlling interests of the subsidiaries	(23,821)	(52,192)		
	<b>27,885,276</b>	<b>25,972,238</b>		

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2021**

<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 (in Baht)	Exchange on translation of financial statements in foreign currency	Gain on remeasurements of defined benefit plans			
<b>Balance as at 31 December 2019 - as reported</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>(688,926)</b>	-	<b>2,550,840</b>	<b>40,373,728</b>	<b>(1,523,616)</b>	<b>266,939</b>	<b>290,397,624</b>	<b>(360,366)</b>	<b>290,037,258</b>
Impact of changes in accounting policies	-	-	-	-	-	(592,039)	-	-	(592,039)	-	(592,039)
<b>Balance as at 1 January 2020</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>(688,926)</b>	-	<b>2,550,840</b>	<b>39,781,689</b>	<b>(1,523,616)</b>	<b>266,939</b>	<b>289,805,585</b>	<b>(360,366)</b>	<b>289,445,219</b>
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	26	-	-	-	-	(22,500,000)	-	-	(22,500,000)	-	(22,500,000)
Decrease in non-controlling interests of the subsidiaries											
from dividend payment of subsidiaries		-	-	-	-	-	-	-	-	(742)	(742)
<b>Balance as at 31 December 2020</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>(688,926)</b>	-	<b>3,650,840</b>	<b>40,454,018</b>	<b>228,485</b>	<b>266,939</b>	<b>293,330,015</b>	<b>(413,300)</b>	<b>292,916,715</b>
<b>Balance as at 1 January 2021</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>(688,926)</b>	-	<b>3,650,840</b>	<b>40,454,018</b>	<b>228,485</b>	<b>266,939</b>	<b>293,330,015</b>	<b>(413,300)</b>	<b>292,916,715</b>
Profit for the year	-	-	-	-	-	27,702,278	-	-	27,702,278	(9,769)	27,692,509
Other comprehensive income for the year	-	-	-	-	-	-	206,819	-	206,819	(14,052)	192,767
Total comprehensive income for the year	-	-	-	-	-	27,702,278	206,819	-	27,909,097	(23,821)	27,885,276
Transferred unappropriated retained earnings											
to statutory reserve	19	-	-	-	607,133	(607,133)	-	-	-	-	-
Dividend paid	26	-	-	-	-	(15,000,000)	-	-	(15,000,000)	-	(15,000,000)
Acquisition of non-controlling interests	9	-	-	-	(453,363)	-	-	-	(453,363)	441,330	(12,033)
Decrease in non-controlling interests of the subsidiaries											
from dividend payment of subsidiaries		-	-	-	-	-	-	-	-	(901)	(901)
<b>Balance as at 31 December 2021</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>(688,926)</b>	<b>(453,363)</b>	<b>4,257,973</b>	<b>52,549,163</b>	<b>435,304</b>	<b>266,939</b>	<b>305,785,749</b>	<b>3,308</b>	<b>305,789,057</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2021**

<b>Separate financial statements</b>						
<i>Note</i>	Issued and paid up share capital	Share premium	Retained earnings		Gain on remeasurements of defined benefit plans	Total equity
			Appropriated - statutory reserve	Unappropriated		
<i>(in Baht)</i>						
<b>Balance as at 1 January 2020</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>2,550,840</b>	<b>7,425,412</b>	<b>280,972</b>	<b>259,675,883</b>
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)	-	-
Dividend paid	-	-	-	(22,500,000)	-	(22,500,000)
<b>Balance as at 31 December 2020</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>3,650,840</b>	<b>5,161,962</b>	<b>280,972</b>	<b>258,512,433</b>
<b>Balance as at 1 January 2021</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>3,650,840</b>	<b>5,161,962</b>	<b>280,972</b>	<b>258,512,433</b>
Profit for the year	-	-	-	12,142,667	-	12,142,667
Total comprehensive income for the year	-	-	-	12,142,667	-	12,142,667
Transferred unappropriated retained earnings to statutory reserve	-	-	607,133	(607,133)	-	-
Dividend paid	-	-	-	(15,000,000)	-	(15,000,000)
<b>Balance as at 31 December 2021</b>	<b>150,000,000</b>	<b>99,418,659</b>	<b>4,257,973</b>	<b>1,697,496</b>	<b>280,972</b>	<b>255,655,100</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**

**Statement of cash flows**

**For the year ended 31 December 2021**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Cash flows from operating activities</b>					
Profit before tax		33,129,264	30,096,019	12,927,038	22,786,902
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities:					
Unrealised (gain) loss on exchange rate		(2,432,257)	152,811	(11,294)	(2,028,014)
Gain on measurement of fair value of derivatives		(442,166)	(149,874)	-	-
Depreciation and amortisation		10,091,834	9,729,724	3,062,701	2,701,129
Write-off project in progress	8	-	131,076	-	-
Gain on cancellation of lease contracts		(10,630)	-	(10,630)	-
(Gain) Loss on disposal and write-off of equipment		2,858	(199,511)	(1,833)	-
Allowance for impairment of power plant - Solar panels	11	33,907	-	-	-
Increase in provision for long-term employee benefits		314,477	303,964	274,812	265,425
Dividend income	4	-	-	(10,499,099)	(15,799,258)
Interest income		(510,126)	(899,878)	(838,965)	(1,242,053)
Interest expenses		2,985,609	3,554,940	383,267	140,964
Profit from operating activities before changes in operating assets and liabilities		43,162,770	42,719,271	5,285,997	6,825,095
Operating assets (increase) decrease					
Trade and other current receivables		(295,339)	332,984	(2,524,876)	(2,720,601)
Project in progress		(358,730)	-	(358,730)	-
Other current assets		123,897	(193,512)	120,407	2,307
Other non-current assets		57,448	64,864	-	-
Operating liabilities increase (decrease)					
Trade and other current payables		(174,410)	(1,078,581)	46,512	(562,253)
Contract liabilities		28,917,637	-	26,010,000	-
Other current liabilities		(32,466)	(372,456)	(49,762)	(341,045)
Cash flows from operating activities		71,400,807	41,472,570	28,529,548	3,203,503
Cash received from withholding tax refundable		940,903	1,285,659	940,903	853,550
Cash paid for income tax		(6,291,029)	(4,828,943)	(1,611,500)	(469,076)
Cash paid for employee benefits		-	(568,760)	-	(195,000)
<b>Net cash flows from operating activities</b>		<b>66,050,681</b>	<b>37,360,526</b>	<b>27,858,951</b>	<b>3,392,977</b>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as "SAAM Energy Development Public Company Limited")**  
**Statement of cash flows (continued)**  
**For the year ended 31 December 2021**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Cash flows from investing activities</b>					
Payment for acquisition of vehicle, equipment and software computer		(53,445)	(2,604,999)	(34,027)	(2,582,880)
Proceed from lease agreements cancellation		87,500	-	87,500	-
Proceed from disposal of equipment		3,149	208,446	3,000	-
Cash received from settlement of short-term loans to related parties	4	-	-	5,000,000	33,200,160
Payment to provide short-term loans to related parties	4	-	-	(5,930,000)	(29,624,500)
Dividend received from subsidiaries	4, 9	-	-	10,499,099	15,799,258
Short-term investment (increase) decrease		(46,199,460)	59,427,289	(40,668,924)	59,427,289
Cash received from interest income		573,248	812,155	613,358	1,668,926
Cash paid for acquisition of investment in subsidiaries		(12,033)	-	-	-
<b>Net cash flows (paid) from investing activities</b>		<b>(45,601,041)</b>	<b>57,842,891</b>	<b>(30,429,994)</b>	<b>77,888,253</b>
<b>Cash flows from financing activities</b>					
Payment of liabilities under lease agreements	12	(3,152,105)	(3,406,768)	(1,817,957)	(2,186,340)
Repayment of short-term loans from related parties		-	-	-	(5,500,000)
Repayment of long-term loans from financial institution	17	(18,225,847)	(17,483,951)	-	-
Dividend paid	26	(15,000,000)	(22,500,000)	(15,000,000)	(22,500,000)
Cash paid for interest expenses		(3,056,190)	(3,800,451)	(383,267)	(315,436)
Decrease in non-controlling interest of the subsidiaries from dividend payment		(901)	(742)	-	-
<b>Net cash flows used in financing activities</b>		<b>(39,435,043)</b>	<b>(47,191,912)</b>	<b>(17,201,224)</b>	<b>(30,501,776)</b>
Effect of exchange rate changes on cash and cash equivalents		194,258	1,191,995	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(18,791,145)</b>	<b>49,203,500</b>	<b>(19,772,267)</b>	<b>50,779,454</b>
Cash and cash equivalents at beginning of year		101,097,108	51,893,608	68,624,309	17,844,855
<b>Cash and cash equivalents at end of year</b>		<b>82,305,963</b>	<b>101,097,108</b>	<b>48,852,042</b>	<b>68,624,309</b>
<b>Non-cash transactions</b>					
Off-set between trade account receivable - related party and other payable - related party		-	-	301,330	-
Investing in project in progress for which payment has not yet been made	4, 14	-	-	298,387	-

# **SAAM Development Public Company Limited and its subsidiaries (Formerly known as “SAAM Energy Development Public Company Limited”)**

## **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

### **1. General information**

SAAM Development Public Company Limited (Formerly known as “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.

On 17 September 2021, the Company changed its name to SAAM Development Public Company Limited from SAAM Energy Development Public Company Limited and amended the articles of the Company which were approved in an Extraordinary General Meeting on 7 September 2021. The Company’s securities abbreviation shall remain as “SAAM”.

The Company’s major shareholder during the financial year 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 and non-energy businesses.

### **2. Basis of preparation of the 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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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

**2.3 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	Note	Nature of business	Country of incorporation	Percentage of shareholding	
				2021	2020
<b>Subsidiaries</b>				%	%
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 Solutions Co., Ltd. (Formerly known as “SAAM Service Co., Ltd.”)		Renewable energy related business operations and investing in energy and non-energy businesses	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	9	Renewable energy project development for sale and international renewable energy project	Hong Kong	100	100
SAAM Japan Energy GK	9	Renewable energy project development for sale in Japan and related business	Japan	100	-



**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Company's name	Note	Nature of business	Country of incorporation	Percentage of shareholding	
				2021	2020
<b>Indirect subsidiaries</b>				%	%
SAAM Japan Energy GK	9	Renewable energy project development for sale in Japan and related business	Japan	-	100
Biomass Power One GK	9	Renewable energy project development for sale	Japan	100	90
Biomass Power Two GK	9	Renewable energy project development for sale	Japan	100	90
Biomass Power Three GK	9	Renewable energy project development for sale	Japan	100	100
Biomass Power Four GK	9	Renewable energy project development for sale	Japan	100	100
Biomass Power Five GK	9	Renewable energy project development for sale	Japan	100	100
Biomass Power Six GK	9	Renewable energy project development for sale	Japan	100	90
Biomass Power Seven GK	9	Renewable energy project development for sale	Japan	100	90
Biomass Power Eight GK	9	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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

*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.

*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:

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Note 3.10 and 12

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.

(2) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3.10

Determining the incremental borrowing rate to measure lease liabilities.

Note 3.8, 3.9 and 3.10

Estimation of useful life of assets.

Note 3.5 and 3.11

Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Note 3.1 and 9

Measurement of investment adjusted for impairment losses

Note 3.6, 3.11 and 8

Impairment test of projects in process: Key assumptions underlying recoverable amount.

Note 3.18

Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

Note 3.12

Measurement of defined benefit obligations: key actuarial assumptions.

Note 3.14 and 27.5

Determining the fair value of financial instruments on the basis of significant unobservable inputs.

Note 3.13

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Investments in subsidiaries**

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

**3.2 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.

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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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.

**3.3 Financial instruments**

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 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.

*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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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.

*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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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.

**3.4 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.

**3.5 Trade and other accounts receivable**

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

**3.6 Inventories**

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

**3.7 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.

**3.8 Property, plant and equipment**

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

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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:

Power plant	25	years
Buildings and building improvement	5, 10 and 20	years
Tools and equipment	5	years
Furniture and office equipment	5	years
Motor vehicles	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.

**3.9 Intangible assets**

Intangible assets acquired are 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
-------------------	----	-------

**3.10 Leases**

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.



**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

*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.

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 include fixed payments less any lease incentive receivable, amounts under options if the Group is reasonably certain to exercise the option. Variable lease payments that do not depend on an 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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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.

*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.

**3.11 Impairment of assets**

***Impairment of financial assets***

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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

***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.

**3.12 *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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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.

**3.13 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.

**3.14 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.

**3.15 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 Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**3.16 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.

**3.17 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*

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. 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

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**3.18 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.

**3.19 Earnings per share**

The Group presents basic and diluted 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 year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise warrants.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**3.20 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.

**3.21 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.

**4. Related party transactions**

Relationships with subsidiaries are disclosed in Notes 2.3 and 9. Relationships with management and other related parties are 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 year 2021 and 2020, 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 is charged at 1.25 percent per annum (2020: 1.25 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 Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Service income	-	-	2,210	2,774
Management income	-	-	11,520	11,520
Dividend income	-	-	10,499	15,799
Interest income	-	-	375	389
Interest expenses	-	-	-	31
<u>Transactions with key management</u>				
Dividend paid	1	1	-	-
Sale of fixed asset	-	220	-	-

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><u>Trade and other accounts receivable - related parties (Note 7)</u></b>				
Subsidiaries	-	-	10,772	8,470
Total	-	-	10,772	8,470
<b><u>Work in process</u></b>				
Subsidiary	-	-	298	-
Total	-	-	298	-
<b><u>Trade accounts payable - related party (Note 14)</u></b>				
Subsidiary	-	-	298	-
Total	-	-	298	-



**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**Short-term loans to related parties**

As at 31 December 2021 and 2020, 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
		Balance as at 31 December 2020	During the year		Unrealised gain on exchange rate	
			Increase	Decrease		
			<i>(in thousand Baht)</i>			
SAAM International Limited	Subsidiary	24,384	1,430	-	8	25,822
SAAM Three Co., Ltd.	Subsidiary	5,000	4,500	(5,000)	-	4,500
<b>Total</b>		<b>29,384</b>	<b>5,930</b>	<b>(5,000)</b>	<b>8</b>	<b>30,322</b>

Short-term loans to	Related by	Separate financial statements				Balance as at 31 December 2020
		Balance as at 31 December 2019	During the year		Unrealised gain on exchange rate	
			Increase	Decrease		
			<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
<b>Total</b>		<b>31,204</b>	<b>29,624</b>	<b>(33,200)</b>	<b>1,756</b>	<b>29,384</b>

**Directors and management’s benefits**

During the year ended 31 December 2021 and 2020, the Group had employee benefit expenses to their directors and management as below.

	Consolidated / Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Short-term employee benefits	4,970	4,954
Post-employment benefits	156	156
<b>Total</b>	<b>5,126</b>	<b>5,110</b>

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**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.

**5. Cash and cash equivalents**

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash	94	89	15	11
Bank deposits	67,191	35,322	33,816	8,448
Highly liquid short-term investments	15,021	65,686	15,021	60,165
Total	<u>82,306</u>	<u>101,097</u>	<u>48,852</u>	<u>68,624</u>

As at 31 December 2021, bank deposits in saving accounts earned interest at 0.05 percent per annum (2020: 0.05 percent per annum). The highly liquid short-term investments are 3-month fixed deposits at banks. The fixed deposits earn interest at 0.45 percent per annum (2020: 0.7 percent per annum) and will mature on 1 February 2022.

**6. Short-term investment**

	Consolidated financial statements			
	2021	2020	2021	2020
	<i>(Interest rate per annum)</i>		<i>(in thousand Baht)</i>	
Short-term deposits at financial institution	0.45 - 0.60	0.9	<u>67,850</u>	<u>21,650</u>
Total			<u>67,850</u>	<u>21,650</u>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	Separate financial statements			
	2021	2020	2021	2020
	<i>(Interest rate per annum)</i>		<i>(in thousand Baht)</i>	
Short-term deposits at financial institution	0.45 - 0.50	0.9	62,319	21,650
Total			62,319	21,650

**7. Trade and other current receivables**

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<u>Trade accounts receivable - related parties</u> (Note 4)				
Aged on the basis of due dates				
Within credit terms	-	-	162	704
Overdue:				
Less than 3 months	-	-	655	669
3 - 6 months	-	-	689	655
6 - 12 months	-	-	1,397	1,565
Over 12 months	-	-	7,440	4,837
Total trade accounts receivable - related parties	-	-	10,343	8,430
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Within credit terms	7,601	7,589	1,577	1,577
Total trade accounts receivable - unrelated parties	7,601	7,589	1,577	1,577
<u>Other receivables</u>				
Accrued interest income - related parties (Note 4)	-	-	353	40
Accrued interest income - unrelated party	37	100	12	100
Other receivables - related parties (Note 4)	-	-	76	-
Prepaid expenses	586	351	482	243
Value added tax refundable	97	49	-	-
Total other receivables	720	500	923	383
Total	8,321	8,089	12,843	10,390

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**8. Projects in progress**

The net book value of projects in progress as at 31 December 2021 and 2020 is presented below.

	Consolidated financial statements					
	Cost		Translation adjustment		Project in progress-net	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Grid application	121	121	5	4	126	125
Grid interconnection	8,451	8,451	(70)	(89)	8,381	8,362
Consultation fee	1,942	1,583	(14)	(17)	1,928	1,566
Others	510	510	(2)	23	508	533
<b>Total</b>	<b>11,024</b>	<b>10,665</b>	<b>(81)</b>	<b>(79)</b>	<b>10,943</b>	<b>10,586</b>
	Separate financial statements					
	2021		2020			
	<i>(in thousand Baht)</i>					
Consultation fee	657				-	
<b>Total</b>	<b>657</b>				<b>-</b>	

During the year 2021, the Group have not written off projects in progress (2020: Written off projects in progress of Baht 0.13 million and was presented in expenses in the consolidated income statement since the subsidiary companies considered that those projects did not have a future economic benefit.)

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**9. Investments in subsidiaries**

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2021	2020	2021	2020	2021	2020	2021	2020
	<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	4,200	4,000
SAAM Two Co., Ltd.	1,500	1,500	100	100	1,500	1,500	2,799	1,799
SAAM Three Co., Ltd.	30,000	30,000	100	100	30,000	30,000	-	3,000
SAAM Solutions Co., Ltd.	2,250	2,250	100	100	2,250	2,250	-	-
SAAM Solar Power One Co., Ltd.	40,000	40,000	100	100	39,999	39,999	3,500	7,000
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	-	-
SAAM Japan Energy GK	JPY 1 million	-	100	-	302	-	-	-
<b>Total</b>					<b>123,962</b>	<b>123,660</b>	<b>10,499</b>	<b>15,799</b>

**Restructuring of shareholder in indirect subsidiaries**

On 19 February 2021, the Board of Directors' Meeting of the Company's passed a resolution approving restructuring of shareholdings in subsidiaries and indirect subsidiaries within the Group to enhance management efficiency and to be clear in business operations. The transfers of shares involved in the restructuring were made on 9 July 2021 and the registrations of transfer of shares were completed on 31 August 2021 as follows:

- The Company acquired all shares of SAAM Japan Energy GK, an indirect subsidiary of the Company, from SAAM International Limited, the subsidiary of the Company. Therefore, SAAM Japan Energy GK became a direct subsidiary of the Company.
- SAAM International Limited, the subsidiary of the Company, acquired all shares of Biomass Power One GK (BMP-1) Biomass Power Two GK (BMP-2) Biomass Power Six GK (BMP-6) and Biomass Power Seven GK (BMP-7) which were the indirect subsidiaries of SAAM International Limited, from SAAM Japan Energy GK and other shareholders. Therefore, BMP-1 BMP-2 BMP-6 and BMP-7 remained indirect subsidiaries of the Company.
- SAAM International Limited, the subsidiary of the Company, acquired all shares of Biomass Power Three GK (BMP-3) Biomass Power Four GK (BMP-4) Biomass Power Five GK (BMP-5) and Biomass Power Eight GK (BMP-8), which were the indirect subsidiaries of SAAM International

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Limited, from SAAM Japan Energy GK. Therefore, BMP-3 BMP-4 BMP-5 and BMP-8 remained the indirect subsidiary of the Company.

The group recognized deficit on acquisition of non-controlling interests amounting to Baht 0.45 million because the non-controlling interests have accumulated loss at the acquisition date, but the restructuring transactions were made at par value of shares.

**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 years ended 31 December 2021 and 2020, the subsidiary company has rental income related to these rental agreements as follows.

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Rental income	13,152	13,152

As at 31 December 2021, the subsidiary company has pledged its land which net book value amounting to approximately Baht 82.5 million (2020: Baht 82.5 million) as collateral against credit facilities received from a financial institution in Note 17 to the financial statements.

The fair value of the investment properties as disclosure as at 31 December 2021 and 2020 stated below:

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Land	135,906	138,206

The fair value of the above investment properties have been determined based on valuation performed by an accredited independent valuer on 6 October 2021. 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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**11. 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>							
<b>Cost</b>								
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
Additions	-	-	-	15	38	-	-	53
Disposals/write-off	-	-	-	(14)	(76)	-	-	(90)
31 December 2021	10,730	127,902	6,737	309	1,108	9,949	4,562	161,297
<b>Accumulated depreciation</b>								
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
Depreciation for the year	-	5,083	438	62	210	503	-	6,296
Accumulated depreciation of disposals/write-off assets	-	-	-	(10)	(75)	-	-	(85)
31 December 2021	-	31,413	3,524	209	947	8,420	-	44,513
<b>Allowance for impairment loss</b>								
31 December 2020	-	-	-	-	-	-	4,562	4,562
Increase during the year	-	34	-	-	-	-	-	34
31 December 2021	-	34	-	-	-	-	4,562	4,596
<b>Net book value</b>								
31 December 2020	10,730	101,572	3,651	151	334	2,032	-	118,470
31 December 2021	10,730	96,455	3,213	100	161	1,529	-	112,188
<b>Depreciation for the year</b>								
2020 (Baht 5,432 thousand included in cost of sale and service, and the balance in administrative expenses)								6,272
2021 (Baht 5,433 thousand included in cost of sale and service, and the balance in administrative expenses)								6,296

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	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>					
<b>Cost</b>						
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
Additions	-	-	34	-	-	34
Disposals/write-off	-	-	(76)	-	-	(76)
31 December 2021	2,982	58	1,035	6,949	-	11,024
<b>Accumulated depreciation</b>						
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
Depreciation for the year	235	12	209	503	-	959
Accumulated depreciation of disposals/write-off assets	-	-	(75)	-	-	(75)
31 December 2021	1,483	40	877	5,420	-	7,820
<b>Net book value</b>						
31 December 2020	1,734	30	334	2,032	-	4,130
31 December 2021	1,499	18	158	1,529	-	3,204
<b>Depreciation for the year</b>						
2020 (Baht 92 thousand included in cost of service, and the balance in administrative expenses)						931
2021 (Baht 96 thousand included in cost of service, and the balance in administrative expenses)						959

As at 31 December 2021, 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 7.5 million and 4.5 million, respectively (2020: Baht 7.5 million and Baht 4.5 million, respectively).

The subsidiaries have pledged their land and construction amounting to approximately Baht 107.2 million (2020: Baht 112.3 million) as collateral against credit facilities received from financial institutions as described in Note 17 to the financial statements.



**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**12. Leases**

*As a lessee*

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Right-of-use assets</b>				
Land	31,037	34,633	9,203	11,107
Buildings	919	1,839	919	1,839
Total	<u>31,956</u>	<u>36,472</u>	<u>10,122</u>	<u>12,946</u>

The Group leases various land for 8 to 25 years and leases office buildings for 3 years. The rental is payable monthly as specified in the contract.

During the year 2021, the Company and the lessors entered into land lease cancellation agreements for Petchaburi Project in total of 17 rai 3 ngan 71 square wa. This is to be more efficient and consistent with space requirements of the project. As a result, the net right-of-use assets decreased by Baht 0.73 million.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Lease payments</b>	<i>(in thousand Baht)</i>			
Fixed payments	4,113	4,100	2,201	2,296
Total	<u>4,113</u>	<u>4,100</u>	<u>2,201</u>	<u>2,296</u>

**Amounts recognised in profit or loss**

Depreciation of right-of-use assets:

- Land	2,864	2,421	1,173	831
- Buildings	919	919	919	919
Interest on lease liabilities	961	693	383	110
Expenses relating to leases of low-value assets	31	42	31	42

In 2021, total cash outflow for leases of the Group and the Company were Baht 3.2 million and Baht 1.8 million, respectively. (2020: Baht 3.4 million and Baht 2.2 million, respectively).

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

*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.

	Consolidated	
	financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Minimum lease payments under non-cancellable operating leases are receivable</i></b>		
Within 1 year	13,152	13,152
1 - 5 years	52,608	52,608
After 5 years	184,128	197,280
Total	<u>249,888</u>	<u>263,040</u>

**13. Intangible assets**

The net book value of intangible assets which are computer software as at 31 December 2021 and 2020 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cost	118	118	112	112
Less: Accumulated amortisation	(63)	(50)	(61)	(49)
Net book value	<u>55</u>	<u>68</u>	<u>51</u>	<u>63</u>

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Net book value at beginning of year	68	75	63	70
Acquisition of computer software	-	14	-	14
Less: Amortisation for the year	(13)	(21)	(12)	(21)
Net book value at end of year	<u>55</u>	<u>68</u>	<u>51</u>	<u>63</u>

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**14. Trade and other current payables**

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade accounts payable - related party (Note4)	-	-	298	-
Trade accounts payable - unrelated parties	473	536	82	78
Accrued expenses	1,048	1,054	409	334
Other payables	206	304	140	159
Accrued interest expense	369	439	-	-
Value added tax payable	288	278	89	102
<b>Total</b>	<b>2,384</b>	<b>2,611</b>	<b>1,018</b>	<b>673</b>

**15. Contract liabilities**

As of 31 December 2021, the Group have contract liabilities - unearned revenue amounting to Baht 29 million for development services of Biomass Power projects in Japan to be provided based on 2 Development Service Agreements with 2 unrelated companies (2020: Baht nil). One agreement was made by the Company which has contract liability amounting to Baht 26 million and the other agreement was made by the subsidiary in Japan which has contract liability amounting to Baht 3 million.

**16. Lease liabilities**

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Lease liabilities	27,469	32,341	10,266	13,226
Less: Deferred interest expense	(4,202)	(5,267)	(1,309)	(1,796)
<b>Total</b>	<b>23,267</b>	<b>27,074</b>	<b>8,957</b>	<b>11,430</b>
Less: Current portion	(3,302)	(3,242)	(1,894)	(1,908)
<b>Lease liabilities - net of current portion</b>	<b>19,965</b>	<b>23,832</b>	<b>7,063</b>	<b>9,522</b>

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.

During the year 2021, the Company and the lessors entered into land lease cancellation agreements for Petchaburi Project in total of 17 rai 3 ngan 71 square wa. This is to be more efficient and consistent with space requirements of the project. As a result, the lease liabilities decreased by Baht 0.65 million.

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

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

	Consolidated financial statements							
	2021				2020			
	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	4,136	12,074	11,259	27,469	4,214	13,512	14,615	32,341
Deferred interest expenses	(834)	(2,426)	(942)	(4,202)	(972)	(2,803)	(1,492)	(5,267)
Present value of future minimum lease payments	3,302	9,648	10,317	23,267	3,242	10,709	13,123	27,074
	Separate financial statements							
	2021				2020			
	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	2,201	5,263	2,802	10,266	2,302	6,515	4,409	13,226
Deferred interest expenses	(307)	(810)	(192)	(1,309)	(394)	(988)	(414)	(1,796)
Present value of future minimum lease payments	1,894	4,453	2,610	8,957	1,908	5,527	3,995	11,430

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**17. Long-term loans from financial institutions**

The detail of long-term loans from financial institutions as at 31 December 2021 and 2020 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>	2021 <i>(in thousand Baht)</i>	2020
<u>Subsidiaries</u>							
<b>SAAM Three Co., Ltd.</b>							
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	6,531	17,343
<b>SAAM Solar Power One Co., Ltd.</b>							
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	57,692	65,106
Total long-term loans from financial institution						64,223	82,449
Less: current portion						(14,212)	(18,226)
Long-term loans from financial institutions - net of current portion						50,011	64,223

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Movement in the long-term loans account for the year ended 31 December 2021 and 2020 are summarised below.

	Consolidated	
	financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Balance as at 1 January	82,449	99,933
Less: Repayment	(18,226)	(17,484)
Balance as at 31 December	<u>64,223</u>	<u>82,449</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.

**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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Provision for long-term employee benefits at beginning of year	1,612	1,877	1,403	1,333
Included in profit or loss:				
Current service cost	286	281	249	245
Interest cost	29	23	26	20
	<u>1,927</u>	<u>2,181</u>	<u>1,678</u>	<u>1,598</u>
Employee benefit paid	-	(569)	-	(195)
Provision for long-term employee benefits at end of year	<u>1,927</u>	<u>1,612</u>	<u>1,678</u>	<u>1,403</u>

As at 31 December 2021, the Group do not expect to pay long-term employee benefits during the next year. (2020: the Group do not expect to pay long-term employee benefits during the next year)

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit of the Group and the Company are 7 - 14 years and 14 years, respectively (2020: 7 - 14 years and 14 years, respectively).

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(percent per annum)</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:

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	Consolidated financial statements			
	2021		2020	
	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	(92)	98	(82)	88
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	227	(201)	186	(166)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(168)	193	(136)	155

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	Separate financial statements			
	2021		2020	
	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	(83)	88	(74)	80
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	204	(181)	167	(149)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(151)	173	(122)	139

**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 2021, the Company set additional statutory reserve of Baht 0.6 million (2020: Baht 1.1 million).

As at 31 December 2021, the Company has statutory reserve totaling Baht 4.3 million (2020: Baht 3.7 million).

**20. Expenses by nature**

Significant expenses classified by nature are as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salaries and wages and other employee benefits	11,575	10,977	11,510	10,901
Servicing expenses	8,956	9,969	1,692	1,941
Depreciation and amortization	10,092	9,730	3,063	2,701
Commission expenses	203	221	203	221
Professional service expenses	3,027	3,061	1,657	1,638

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.



**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**21. Income tax**

Income tax expenses for the year ended 31 December 2021 and 2020 are made up as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Current income tax:</b>				
Current corporate income tax charge	5,370	4,394	674	-
<b>Deferred tax:</b>				
Relating to origination of temporary differences	67	1,463	110	1,450
Income tax expenses reported in the income statement	<u>5,437</u>	<u>5,857</u>	<u>784</u>	<u>1,450</u>

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

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Accounting profit before tax	<u>33,129</u>	<u>30,096</u>	<u>12,927</u>	<u>22,787</u>
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	6,639	7,160	2,585	4,557
Effects of changes in the tax rate				
Effects of:				
Promotional privileges	(1,688)	(1,556)	-	-
Non-deductible expenses	99	59	98	59
Additional expense deductions allowed	(9)	(6)	(9)	(6)
Income not subject to tax	-	-	(2,100)	(3,160)
Reversal of deferred tax	210	-	210	-
Others	186	200	-	-
Total	<u>(1,202)</u>	<u>(1,303)</u>	<u>(1,801)</u>	<u>(3,107)</u>
Income tax expenses reported in profit or loss	<u>5,437</u>	<u>5,857</u>	<u>784</u>	<u>1,450</u>

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

The components of deferred tax are as follows:

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	373	312	335	281
Unused tax loss	-	210	-	210
Lease liabilities	3,953	4,662	1,791	2,286
Deposit of land rental	485	502	272	289
Prepaid rental	70	83	68	81
<b>Deferred tax liabilities</b>				
Right-of-use asset	(4,111)	(4,929)	(2,024)	(2,589)
Prepaid land rental	(343)	(346)	(143)	(149)
Rental payable	(16)	(16)	-	-
Deferred tax assets - net	<u>411</u>	<u>478</u>	<u>299</u>	<u>409</u>

As at 31 December 2021, two subsidiary companies have the unused tax losses amounting to Baht 2.4 million (2020: Baht 4.5 million) which will expire by 2022 - 2026. 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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**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 Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
BOI promoted	16,880	17,038
Non-BOI promoted	-	-
Total sale	16,880	17,038

**23. Share Capital**

***Increase of registered capital***

On 7 September 2021, the Extraordinary General Meeting of Shareholders meeting passed a resolution approving the increase of registered capital amounting from Baht 150,000,000 (300,000,000 shares with a Baht 0.50 par value) to Baht 180,000,000 (360,000,000 shares with a Baht 0.50 par value) for issuance of SAAM-W1 and SAAM-W2 warrants.

***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 for ordinary shares per 1 warrant	Exercise price
			First exercise	Last exercise			
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					60		

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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**24. Basic earnings per share**

***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.

***Diluted earnings per share***

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.

The incremental shares from assumed conversion are not included in calculation the diluted per-share amount for the financial statements due to the exercise price being higher than the market price of ordinary.

**25. 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

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 Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**25.1 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 2021 and 2020, respectively.

	Development service		Distribute of electricity		Adjustments and elimination		Consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
Revenue from sales and services	57,133	57,697	16,880	17,038	(2,210)	(2,774)	71,803	71,961
Cost of sales and services	(14,860)	(16,191)	(6,232)	(6,164)	2,200	2,804	(18,892)	(19,551)
Gross profit	<u>42,273</u>	<u>41,506</u>	<u>10,648</u>	<u>10,874</u>	<u>(10)</u>	<u>30</u>	<u>52,911</u>	<u>52,410</u>
Other income							1,210	1,400
Gain (loss) on exchange rate							2,419	(769)
Selling and servicing expenses							(353)	(220)
Administrative expenses							(19,900)	(19,071)
Finance cost							(3,158)	(3,654)
Income tax expenses							(5,437)	(5,857)
Non-controlling interests of the subsidiaries							10	33
Profit for the year							<u>27,702</u>	<u>24,272</u>

**25.2 Assets separated by business segment are as follows:**

	Development service		Distribute of electricity		Adjustments and elimination		Consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
<b>Assets</b>								
Trade accounts receivables	25,447	21,890	2,185	2,173	(20,031)	(16,474)	7,601	7,589
Investment properties	82,495	82,495	-	-	-	-	82,495	82,495
Property, plant and equipment	5,148	6,313	107,185	112,302	(145)	(145)	112,188	118,470
Deposit for purchase of land and equipment	1,456	1,456	25,376	22,926	-	-	26,832	24,382
Others	386,816	357,609	21,816	19,679	(208,626)	(200,486)	200,006	176,802
Total assets	<u>501,362</u>	<u>469,763</u>	<u>156,562</u>	<u>157,080</u>	<u>(228,802)</u>	<u>(217,105)</u>	<u>429,122</u>	<u>409,738</u>
Total liabilities	<u>164,584</u>	<u>139,562</u>	<u>58,427</u>	<u>66,447</u>	<u>(99,678)</u>	<u>(89,188)</u>	<u>123,333</u>	<u>116,821</u>
Increase (decrease) to non-current assets excluded								
deferred tax assets	(5,774)	26,841	(2,668)	(5,176)	24	-	(8,418)	21,665

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

Geographic information

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

	<u>2021</u>	<u>2020</u>
	<i>(in thousand Baht)</i>	
<b>Revenue from external customers</b>		
Thailand	71,803	71,961
Total	<u>71,803</u>	<u>71,961</u>
<b>Non-current assets (other than deferred tax assets)</b>		
Thailand	253,669	262,087
Japan	1,456	1,456
Total	<u>255,125</u>	<u>263,543</u>

Major customers

For the year 2021, the Group has revenue from two major customers in amount of Baht 54.9 million arising from development service segment and Baht 17 million, arising from distribute of electricity segment, (2020: Baht 54.9 million arising from development service segment and Baht 17 million arising from distribute of electricity segment).

**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**26. Dividends**

The Company declared dividend payment for year ended 31 December 2021 and 2020 in the amount as below:

	Approved by	Dividends		
		Total <i>(in million Baht)</i>	Per share <i>(Baht)</i>	Paid on
<b>2021</b>				
Annual dividend paid from the Company’s operating results of fiscal year ended 31 December 2020	Annual General Meeting of shareholders on 23 April 2021	3.9	0.013	14 May 2021
Interim dividend paid from the Company’s six-month operating results ended 30 June 2021	Board of Director Meeting on 9 August 2021	7.5	0.025	6 September 2021
Interim dividend paid from the Company’s nine-month operating results ended 30 September 2021	Board of Director Meeting on 8 November 2021	3.6	0.012	7 December 2021
<b>Total dividends paid for year ended 31 December 2021</b>		<b>15.0</b>	<b>0.050</b>	



**SAAM Development Public Company Limited and its subsidiaries**  
**(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	Approved by	Dividends		
		Total <i>(in million Baht)</i>	Per share <i>(Baht)</i>	Paid on
<b>2020</b>				
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	<u>3.9</u>	<u>0.013</u>	3 December 2020
<b>Total dividends paid for year ended 31 December 2020</b>		<u><u>22.5</u></u>	<u><u>0.075</u></u>	

**27. Financial instruments**

**27.1 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.

**27.2 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.

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**27.3 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.

As at 31 December 2021 and 2020, 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		Floating interest		Non- interest		Total		Effective interest	
	within 1 year		rate		bearing				rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>								<i>(% per annum)</i>	
<b>Financial Assets</b>										
Cash and cash equivalents	-	-	82,306	101,097	-	-	82,306	101,097	0.05	0.05 - 0.7
Short-term investment	67,850	21,650	-	-	-	-	67,850	21,650	0.45 - 0.60	0.90
Trade and other receivables	-	-	-	-	8,321	8,089	8,321	8,089	-	-
	<u>67,850</u>	<u>21,650</u>	<u>82,306</u>	<u>101,097</u>	<u>8,321</u>	<u>8,089</u>	<u>158,477</u>	<u>130,836</u>		
<b>Financial liabilities</b>										
Trade and other payables	-	-	-	-	2,384	2,611	2,384	2,611	-	-
Long-term loans from financial institutions	-	-	64,223	82,449	-	-	64,223	82,449	MLR-1.5 and BIBOR 3 month + 2	MLR-1.5 and BIBOR 3 month + 2
	<u>-</u>	<u>-</u>	<u>64,223</u>	<u>82,449</u>	<u>2,384</u>	<u>2,611</u>	<u>66,607</u>	<u>85,060</u>		

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

	Separate Financial Statements									
	Fixed interest rate		Floating interest		Non- interest		Total		Effective interest	
	within 1 year		rate		bearing				rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>								<i>(% per annum)</i>	
<b>Financial Assets</b>										
Cash and cash equivalent	-	-	48,852	68,624	-	-	48,852	68,624	0.05	0.05 - 0.7
Short-term investment	62,319	21,650	-	-	-	-	62,319	21,650	0.45 - 0.50	0.90
Trade and other receivables	-	-	-	-	12,843	10,390	12,843	10,390	-	-
Short-term loans to related parties	30,322	29,384	-	-	-	-	30,322	29,384	1.25	1.25
	<u>92,641</u>	<u>51,034</u>	<u>48,852</u>	<u>68,624</u>	<u>12,843</u>	<u>10,390</u>	<u>154,336</u>	<u>130,048</u>		
<b>Financial liability</b>										
Trade and other payables	-	-	-	-	1,018	673	1,018	673	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018</u>	<u>673</u>	<u>1,018</u>	<u>673</u>		

As of 31 December 2020, 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. However, the said interest rate swap contract has matured on 7 July 2021.

Consolidated Financial Statements			
Currency	Loan	Interest	Maturity date
	<i>(in million Baht)</i>	<i>(percent per annum)</i>	
<b>As at 31 December 2020</b>			
Baht	34	Exchange of interest at BIBOR 3 month to interest at 2.41 percent per annum	7 January 2021

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**27.4 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 2021 and 2020, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at	
	2021	2020	2021	2020	2021	2020
	<i>(in million)</i>				<i>(Baht per 1 foreign currency unit)</i>	
<b>Financial assets</b>						
US dollar	0.7	0.7	-	-	33.2469	29.8674
Yen	-	-	127.2	114.4	0.2869	0.2869
<b>Financial liability</b>						
Yen	-	-	1	-	0.2944	0.2945

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

- a) 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.
- b) 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 Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

*Fair value hierarchy*

As at 31 December 2021 and 2020, 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 2021			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			

**Financial assets disclosed at fair value**

Investment properties	-	135.9	-	135.9
-----------------------	---	-------	---	-------

	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
-----------------------	---	-------	---	-------

**Financial liabilities disclosed at fair value**

Derivatives				
Interest rate swap contract	-	0.4	-	0.4

During the year 2021, there was no transfer within the fair value hierarchy.

**28. 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 2021, the Group 's debt-to-equity ratio was 0.40:1 (2020: 0.40:1) and the Company's was 0.15:1 (2020: 0.05:1).

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**29. Commitments and contingencies**

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

**29.1 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 2021, the subsidiary partially paid for the construction cost to that company amounting to Baht 4.8 million (2020: Baht 4.8 million). The subsidiary presented this construction cost under “Construction in progress” amounting to Baht 3.5 million (2020: Baht 3.5 million) and “Deposit for equipment” amounting to Baht 1.3 million (2020: 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 (2020: 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 2021, the subsidiary company paid for a deposit for the equipment to that company amounting to USD 0.7 million or equivalent to Baht 24.1 million (2020: Baht 21.6 million). The subsidiary company presented this deposit for main equipment under “Deposit for equipment” in the consolidated statement of financial position. The

# **SAAM Development Public Company Limited and its subsidiaries (Formerly known as “SAAM Energy Development Public Company Limited”)**

## **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

subsidiary company had remaining commitments in respect of the Main Equipment Supply contract by the completed milestone totaling USD 2.1 million (2020: 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 2021, the Group’s management therefore decided not to set up a provision for impairment of these assets in the consolidated financial statements.

### **29.2 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 29.1. This causes the 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 (2020: 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 (2020: Baht 14.6 million).

**SAAM Development Public Company Limited and its subsidiaries  
(Formerly known as “SAAM Energy Development Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**29.3 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. (2020: 3,500 Baht).

**29.4 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 (2020: 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 (2020: Baht 0.05 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 JPY 0.13 million per project undergoing development.

**29.5 Other Commitment**

	2021	2020
	<i>(in million Baht)</i>	
Bank guarantee	1,500	-
Total	1,500	-

**30. Approval of financial statements**

These financial statements were authorised for issue by the Company’s authorised director on 15 February 2022.