

CIRCULAR DATED 8 APRIL 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about this Circular or as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser immediately.

If you have sold or transferred all your ordinary shares with a par value of Baht 1 each ("**Shares**") in the capital of Mermaid Maritime Public Company Limited (the "**Company**"), you should immediately hand this Circular, the Notice of Annual General Meeting of Shareholders No. 01/2025 (the "**Notice of AGM**") and the enclosed proxy form and voting instruction form to the purchaser or the transferee or the bank, stockbroker, or agent through whom you effected the sale or transfer for transmission to the purchaser or the transferee.

In-principle approval has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Rights Shares (as defined herein) on the Mainboard of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, the certificates for the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company and/or its subsidiaries.

The Rights Issue is subject to, among others, the receipt of approval from the Office of the Securities and Exchange Commission of Thailand.

This Circular is not for distribution, directly or indirectly, in or into the United States of America ("**U.S.**") or to U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")). This Circular is not an offer of securities for sale in the U.S.. The Rights and the Rights Shares have not been and will not be registered under the Securities Act of, or under the securities laws of any state or jurisdiction of the U.S. and, accordingly, they may not be offered, sold, resold, granted, exercised, allotted, taken up, renounced, pledged, transferred or delivered, directly or indirectly, in or into the U.S. or to U.S. persons, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

The Rights (as defined herein) and the Rights Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

Printed copies of this Circular will not be despatched to Shareholders (as defined herein). Instead, printed copies of the Notice of AGM and voting instruction form will be mailed to Shareholders. Shareholders can access this Circular, the Notice of AGM, and the accompanying voting instruction form electronically via the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders who require a printed copy of this Circular can request for a copy by providing your name, address and contact phone number / email via email to srs.requestform@boardroomlimited.com, to be received by the Company, no later than 5:00 p.m. (Singapore time) on 25 April 2025.

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Circular is issued to Shareholders solely for the purpose of convening the AGM (as defined herein) and seeking their approval for the resolutions to be considered at such meeting. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular and/or the Rights Shares into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



MERMAID

MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)

(Registration Number 010755000017)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO**

- (1) **THE PROPOSED REDUCTION IN THE REGISTERED CAPITAL OF THE COMPANY FROM BAHT 1,416,700,697 TO BAHT 1,413,328,857 BY MEANS OF THE CANCELLATION OF 3,371,840 SHARES AND THE AMENDMENT TO THE MEMORANDUM OF ASSOCIATION;**
- (2) **THE PROPOSED INCREASE IN THE REGISTERED CAPITAL FROM BAHT 1,413,328,857 TO BAHT 2,220,945,346 BY MEANS OF THE ISSUANCE OF 807,616,489 SHARES AND THE AMENDMENT TO THE MEMORANDUM OF ASSOCIATION;**
- (3) **THE PROPOSED ALLOCATION OF UP TO 807,616,489 RIGHTS SHARES FROM THE INCREASE IN THE REGISTERED CAPITAL FOR OFFERING TO ENTITLED SHAREHOLDERS UNDER THE RIGHTS ISSUE; AND**
- (4) **THE PROPOSED GRANT OF AUTHORITY TO THE BOARD IN CONNECTION WITH THE RIGHTS ISSUE.**

Manager for the Rights Issue



CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 198701621D)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of the voting instruction form	: 22 April 2025 at 5.00 p.m. (Singapore time)
Date and time of AGM	: Wednesday, 30 April 2025 at 10 a.m. (Bangkok time)
Place of AGM	: Arabian Sea Room, No. 26/14, 5 th Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “AGM”** : Annual general meeting of the Company No. 01/2025 to be held on Wednesday, 30 April 2025 at 10 a.m. (Bangkok time) at Arabian Sea Room, No. 26/14, 5th Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand
- “ARE”** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to an Entitled Depositor setting out the allotment of Rights of such Entitled Depositor under the Rights Issue
- “Articles of Association”** : The Articles of Association of the Company
- “ATM”** : Automated teller machine
- “Board”** : The board of Directors of the Company for the time being, unless otherwise stated
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 8 April 2025
- “Closing Date”** : The last time and date for acceptance of and payment for Rights Shares and if applicable, application and payment for Excess Rights Shares under the Rights Issue through CDP, the Share Registrar or an ATM of a participating bank
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended or modified from time to time
- “Company”** : Mermaid Maritime Public Company Limited
- “Directors”** : The directors of the Company as at the date of this Circular, and **“Director”** means any one of them
- “Entitled Depositors”** : Shareholders with Shares standing to the credit of their securities accounts with CDP as at the Record Date and (a) whose registered addresses with CDP are in Singapore as at the Record Date; (b) who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents; or (c) whose registered addresses with CDP are in Thailand as at the Record Date
- “Entitled Scripholders”** : Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Company’s Share Registrar, registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (a) whose registered addresses with the Company are in Singapore as at the Record Date; (b) who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and

documents; or (c) whose registered addresses with the Company are in Thailand as at the Record Date

“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per share
“ESOPs”	:	The employee share option plans of the Company previously approved by Shareholders on 11 July 2007, 29 January 2009, 28 January 2010 and 25 January 2011 respectively
“Excess Rights Shares”	:	The Shares represented by the Rights not accepted, taken up or allotted for any reason and the fractional Rights not allotted in accordance with the terms of the Rights Issue
“FBA”	:	The Foreign Business Act B.E. 2542 (1999) (as amended) of Thailand
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries collectively
“IFRS”	:	International Financial Reporting Standards
“Increase in Registered Capital”	:	The proposed increase of the Registered Capital in connection with the Rights Issue
“Instructions Booklet”	:	The instructions booklet to be despatched by the Company to the Entitled Shareholders together with the PAL and/or the ARE
“Issue Price”	:	The issue price for each Rights Share, being S\$0.118
“Last Traded Price”	:	3.1The last transacted price of S\$0.130 per Share on the Mainboard of the SGX-ST on 28 February 2025, being the last trading day on which trades were done on the Shares prior to the Rights Issue Announcement
“Latest Practicable Date”	:	26 March 2025, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended or modified from time to time
“Mahagitsiris”	:	Mr. Chalermchai Mahagitsiri, Ms. Ausana Mahagitsiri, Ms. Suvimol Mahagitsiri and Mr. Prayudh Mahagitsiri
“Manager”	:	CGS International Securities Singapore Pte. Ltd.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS”	:	The Monetary Authority of Singapore
“Memorandum of Association”	:	The Memorandum of Association of the Company
“MOC”	:	The Ministry of Commerce of Thailand

“Net Proceeds”	: The net proceeds of the Rights Issue after deducting estimated fees and expenses (including professional fees and expenses) of approximately S\$260,000 incurred in connection with the Rights Issue
“Non-Entitled Depositors”	: Depositors with Shares standing to the credit of their Securities Accounts as at the Record Date other than the Entitled Depositors
“Non-Entitled Scripholders”	: Registered holders of Shares in the Register of Shareholders (excluding CDP) as at the Record Date other than the Entitled Scripholders
“Notice of AGM”	: The notice of the AGM, issued to Shareholders together with this Circular
“NTA”	: Net tangible assets
“Ordinary Resolution”	: A resolution proposed and passed as such by a majority consisting of more than 50.0% of the total number of votes cast for and against such resolution by shareholders present at the meeting and entitled to vote, at a meeting of Shareholders convened in accordance with the provisions of the Articles of Association of the Company
“PAL”	: The provisional allotment letter to be issued to an Entitled Scripholder, setting out the Rights of such Entitled Scripholder under the Rights Issue
“PLCA”	: The Public Limited Companies Act B.E. 2535 (1992) of Thailand, as amended
“Possible Subscription Scenario”	: The scenario where (a) no new Shares have been issued by the Company prior to the Record Date; (b) TTA has subscribed and procured its subsidiaries to subscribe for their <i>pro rata</i> entitlement; and (c) no other Shareholder has subscribed for their entitlements
“Record Date”	: The time and date to be determined by the Directors at and on which, the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders
“Reduction in Registered Capital”	: The proposed reduction of the Registered Capital in connection with the Increase in Registered Capital
“Register of Shareholders”	: The Register of Shareholders of the Company maintained by the Company
“Registered Capital”	: The registered capital of the Company
“Rights”	: Rights to subscribe for four (4) Rights Shares for every seven (7) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares
“Rights Issue”	: The proposed non-renounceable non-underwritten rights issue by the Company of up to 807,616,489 Rights Shares, at the Issue Price, on the basis of four (4) Rights Shares for every seven (7) existing Shares held by Entitled

Shareholders as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

The Rights of CDP will be split and credited to the Securities Accounts of Entitled Depositors, on the basis of four (4) Rights Shares for every seven (7) existing Shares standing to the credit of their Securities Accounts as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

“Rights Issue Announcement”	:	The announcement made by the Company on 28 February 2025 in relation to the Rights Issue
“Rights Shares”	:	Up to 807,616,489 Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account held with a Depository Agent
“Securities Act”	:	United States Securities Act of 1933, as amended
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SFRS”	:	Singapore Financial Reporting Standards
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares with a par value of Baht 1 in the capital of the Company
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Special Resolution”	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution by shareholders present at the meeting and entitled to vote, at a meeting of Shareholders duly convened under the provisions of the Articles of Association of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their accounts under the SRS
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Investors who have previously purchased Shares under the SRS

“Substantial Shareholder”	:	A person who has an interest in not less than 5.0% of the voting Shares of the Company
“Thai” or “Thailand”	:	The Kingdom of Thailand
“Thai GAAP”	:	Generally accepted accounting principles in Thailand
“TTA”	:	Thoresen Thai Agencies Public Company Limited, the controlling Shareholder of the Company
“United States” or “U.S.”	:	United States of America
“U.S. GAAP”	:	Generally accepted accounting principles in the United States

Currencies and others

“%”	:	Percentage or per centum
“Baht”	:	Thai baht
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” and “US cents”	:	U.S. dollars and cents, respectively

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Unless otherwise stated in this Circular, any term defined under the Companies Act, the SFA or the Listing Manual shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual, as the case may be. In particular:

- **“Depositor”, “Depository Agent” and “Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA; and
- **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and date in this Circular is made by reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)
(Registration Number 0107550000017)

Directors

Mr. Prasert Bunsumpun (*Non-Executive Chairman*)
Mr. Chalermchai Mahagitsiri (*Executive Vice Chairman*)
Mr. Jean Paul Thevenin (*Non-Executive Director*)
Mr. Paul Burger Whiley (*Executive Director*)
Mr. Michel Lefebvre (*Lead Independent Director*)
Mr. Tang Kee Fei (*Independent Director*)
Mr. Tay Yu-Jin (*Independent Director*)

Registered Office

26/28-29, Orakarn Building, 9th Floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee
Khet Pathumwan
Bangkok 10330
Thailand

8 April 2025

To: The Shareholders of Mermaid Maritime Public Company Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Overview

The purpose of this Circular is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval at the forthcoming AGM No. 01/2025 for:

- (a) the proposed Reduction in Registered Capital from Baht 1,416,700,697⁽¹⁾ to Baht 1,413,328,857⁽²⁾ by means of the cancellation of 3,371,840 unissued Shares, and the amendment to Clause 4 of the Memorandum of Association to be consistent with the Reduction in Registered Capital (Resolution 10);
- (b) the proposed Increase in Registered Capital from Baht 1,413,328,857⁽²⁾ to Baht 2,220,945,346⁽³⁾ by means of the issuance of 807,616,489 Shares, and the amendment to Clause 4 of the Memorandum of Association to be consistent with the Increase in Registered Capital (Resolution 11);
- (c) the proposed allocation of up to 807,616,489 Rights Shares from the Increase in Registered Capital for offering to Entitled Shareholders under the Rights Issue (Resolution 12); and
- (d) the proposed grant of authority to the Board in connection with the Rights Issue (Resolution 13).

Information in relation to Resolutions 10 to 13 is set out in the Notice of AGM as well as in this Circular.

¹ Baht 1,416,700,697 is approximately S\$55.9 million based on the exchange rate of S\$1.00 : Baht 25.3319 as at 26 March 2025, as extracted from Bloomberg L.P..

² Baht 1,413,328,857 is approximately S\$55.8 million based on the exchange rate of S\$1.00 : Baht 25.3319 as at 26 March 2025, as extracted from Bloomberg L.P..

³ Baht 2,220,945,346 is approximately S\$87.7 million based on the exchange rate of S\$1.00 : Baht 25.3319 as at 26 March 2025, as extracted from Bloomberg L.P..

1.2 **Resolution 10: The proposed Reduction in Registered Capital from Baht 1,416,700,697⁽¹⁾ to Baht 1,413,328,857⁽²⁾ by means of the cancellation of 3,371,840 unissued Shares, and the amendment to Clause 4 of the Memorandum of Association to be consistent with the Reduction in Registered Capital (Special Resolution)**

As at the Latest Practicable Date, the Registered Capital is Baht 1,416,700,697⁽¹⁾. In order for the Company to increase the Registered Capital for the allotment and issue of Rights Shares in connection with the Rights Issue, the Company has to reduce the Registered Capital by cancelling 3,371,840 Shares that have remained unissued or unallocated under the ESOPs, all of which have expired, and amend Clause 4 of the Memorandum of Association as follows:

"Clause 4	The registered capital of	1,416,700,697 <u>1,413,328,857</u>	Baht	(One billion, four hundred sixteen million, seven hundred thousand, six hundred ninety-seven Baht <u>One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven Baht)</u>
	Divided into	1,416,700,697 <u>1,413,328,857</u>	shares	(One billion, four hundred sixteen million, seven hundred thousand, six hundred ninety-seven Baht <u>One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven shares)</u>
	Par value per share	1.00	Baht	(One Baht)
	Divided into			
	Ordinary shares	1,416,700,697 <u>1,413,328,857</u>	shares	(One billion, four hundred sixteen million, seven hundred thousand, six hundred ninety-seven Baht <u>One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven shares)</u>
	Preferred shares	-	share	(nil)"

(Please refer to Paragraph 2 of this Circular for further details on the Reduction in Registered Capital.)

1.3 **Resolution 11: The proposed Increase in Registered Capital from Baht 1,413,328,857⁽²⁾ to Baht 2,220,945,346⁽³⁾ by means of the issuance of 807,616,489 Shares, and the amendment to Clause 4 of the Memorandum of Association to be consistent with the Increase in Registered Capital (Special Resolution)**

In connection with the Rights Issue, the Company intends to increase the Registered Capital from Baht 1,413,328,857⁽²⁾ to Baht 2,220,945,346⁽³⁾ by means of the issuance of 807,616,489 Shares, and amend Clause 4 of the Memorandum of Association as follows:

"Clause 4	The registered capital of	1,413,328,857 <u>2,220,945,346</u>	Baht	(One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven Baht <u>Two billion two hundred twenty million nine</u>
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			<u>hundred forty-five thousand three hundred forty-six Baht)</u>
Divided into	<u>1,413,328,857</u> <u>2,220,945,346</u>	shares	(One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven Baht <u>Two billion two hundred twenty million nine hundred forty-five thousand three hundred forty-six shares</u>)
Par value per share	1.00	Baht	(One Baht)
Divided into			
Ordinary shares	<u>1,413,328,857</u> <u>2,220,945,346</u>	shares	(One billion four hundred thirteen million three hundred twenty-eight thousand eight hundred fifty-seven Baht <u>Two billion two hundred twenty million nine hundred forty-five thousand three hundred forty-six shares</u>)
Preferred shares		- share	(nil)"

(Please refer to Paragraph 2 of this Circular for further details on the Increase in Registered Capital.)

1.4 **Resolution 12: The proposed allocation of up to 807,616,489 Rights Shares from the Increase in Registered Capital for offering to Entitled Shareholders under the Rights Issue (Ordinary Resolution)**

On 28 February 2025, the Company announced the Rights Issue.

The Company intends to allocate up to 807,616,489 Rights Shares from the increase in Registered Capital for offering to Entitled Shareholders under the Rights Issue on the following salient terms:

- (a) the issue price of S\$0.118 for each Rights Share;
- (b) the allotment of Rights to Entitled Shareholders on the basis of four (4) Rights Shares for every seven (7) Shares held by the Entitled Shareholders at the Record Date, fractional entitlements to be disregarded;
- (c) Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders will be at liberty to accept (in full or in part) or decline their Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue;
- (d) as the Rights Issue is made on a non-renounceable basis, Entitled Shareholders shall not be entitled to renounce their Rights in part or in whole in favour of a third party, or trade such Rights on the SGX-ST;
- (e) the Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu*, in all respects with the then existing Shares,

except that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares; and

- (f) in the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

In-principle approval has been obtained from the SGX-ST on 28 March 2025 for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. The in-principle approval of the SGX-ST is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) Shareholders' approval for the Rights Issue; and
- (iii) submission of:
 - (1) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (2) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
 - (3) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares; and
 - (4) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that shareholder(s) (if any) who have announced their confirmations or undertakings to subscribe for their *pro rata* entitlements under the Rights Issue have sufficient financial resources to carry out their confirmations or fulfil their obligations under the undertaking.

The undertakings in respect of items (iii)(1), (iii)(2) and (iii)(3) have been provided to the SGX-ST. The confirmation in respect of item (iii)(4) will be provided to the SGX-ST at the relevant time, if applicable.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained and opinions expressed in this Circular. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Based on the number of Shares in issue as at the Latest Practicable Date, the Company intends to issue and allot up to 807,616,489 Rights Shares at the Issue Price, so as to raise gross proceeds of approximately S\$95,298,745.70.

(Please refer to Paragraph 3 of this Circular for further details on the Rights Issue.)

1.5 **Resolution 13: The proposed grant of authority to the Board in connection with the Rights Issue (Ordinary Resolution)**

In connection with the Rights Issue, the Board proposes to seek approval from the Shareholders to authorise the Board to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary in relation to the Reduction in Registered Capital, the Increase in Registered Capital and the Rights Issue, including without limitation:

- (a) prescribing and/or changing the details, terms and/or conditions of the Rights Issue and the Rights Shares, such as the Issue Price, the basis of allotment, the period, the method, the details, terms and/or conditions applicable to the Rights of the Entitled Shareholders;
- (b) contracting, negotiating, amending, changing, entering into and/or executing any agreements, commitments, representations and/or documents; and
- (c) applying for approval, providing information and submitting documents and evidence to the SGX-ST, the MOC, the MAS, and/or any other entities or authorities in relation to the Rights Issue and the allotment of the Rights Shares.

1.6 **Inter-Conditionality of Resolutions**

Shareholders should note that Resolutions 10, 11, 12 and 13 relating to the Reduction and Increase in Registered Capital, the amendment to the Memorandum of Association and the Rights Issue are inter-conditional. This means that if any one of Resolutions 10, 11, 12 and 13 is not approved, the other Resolutions will not be duly passed.

1.7 **Circular**

The purpose of this Circular is to provide Shareholders with information relating to the proposed resolutions above, which are set out in the Notice of AGM.

1.8 **Issue Manager**

The Company has appointed CGS International Securities Singapore Pte. Ltd. as the Manager in respect of the Rights Issue.

1.9 **Legal Advisers**

The Company has appointed Drew & Napier LLC as the Company's legal adviser as to Singapore law in respect of the Rights Issue.

The Company has appointed Kudun & Partners Co., Ltd. as the Company's legal adviser as to Thai law in respect of the Rights Issue, the proposed Reduction and Increase in Registered Capital and the proposed amendment to the Memorandum of Association.

2. DETAILS OF THE REDUCTION AND THE INCREASE IN THE REGISTERED CAPITAL

2.1 Under Thai law, the power to issue new shares in a company is a power of the shareholders. The PLCA stipulates that a company may increase the amount of its registered capital by the issuance of new shares on these conditions:

- (a) all the shares have been completely sold and paid-up in full, or if the shares have not been completely sold, the remaining authorised shares shall be the shares authorised for the exercise of rights under convertible debentures or warrants to purchase shares;
- (b) a shareholders' meeting has passed a resolution by not less than three quarters of the total number of votes held by the shareholders attending the meeting, either in person or by proxy, and having the right to vote; and

- (c) the said resolution has been submitted to the registrar for the registration of a change in the registered capital within 14 days of the date on which the meeting passed the resolution.
- 2.2 Based on the foregoing, in order for the Company to increase the Registered Capital for the allotment and issue of Rights Shares in connection with the Rights Issue, the Company has to reduce the Registered Capital by cancelling 3,371,840 Shares that have remained unissued or unallocated under the ESOPs.
- 2.3 In addition, under the PLCA, in order for the Company to allot and issue the Rights Shares, the Company has to increase the Registered Capital. As such, in connection with the Rights Issue, the Company intends to increase the Registered Capital from Baht 1,413,328,857⁽²⁾ to Baht 2,220,945,346⁽³⁾ by means of the issuance of 807,616,489 Shares.
- 2.4 Please refer to **Appendix 1** to this Circular for the relevant provisions under the PLCA.

3. DETAILS OF THE PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

3.1 Principal Terms of the Rights Issue

Based on the issued share capital of the Company comprising 1,413,328,857 Shares as at the Latest Practicable Date, up to 807,616,489 Rights Shares are proposed to be offered on a non-renounceable non-underwritten basis to the Entitled Shareholders at the Issue Price of S\$0.118 for each Rights Share, on the basis of four (4) Rights Shares for every seven (7) existing Shares recorded in their names in the Register of Shareholders as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

For illustrative purposes, a Shareholder who holds 1,000 Shares on the Record Date will have a *pro rata* entitlement of 571 Rights Shares, and a Shareholder who holds 10,000 Shares on the Record Date will have a *pro rata* entitlement of 5,714 Rights Shares.

The principal terms of the proposed Rights Issue, without limitation, are summarised as follows:

- | | | | | | | |
|---|---|--|-----|--------------------------------|-----|---|
| Issue Price | : | The Issue Price of each Rights Share will be S\$0.118, payable in full upon acceptance and/or application. | | | | |
| Discount
(specifying
benchmarks and
periods) | : | The Issue Price represents a discount of approximately: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;">(a)</td> <td>9.2% to Last Traded Price; and</td> </tr> <tr> <td style="vertical-align: top;">(b)</td> <td>6.1% to the theoretical ex-rights price⁽⁴⁾ of S\$0.1256 per Share as calculated based on the Last Traded Price.</td> </tr> </table> | (a) | 9.2% to Last Traded Price; and | (b) | 6.1% to the theoretical ex-rights price ⁽⁴⁾ of S\$0.1256 per Share as calculated based on the Last Traded Price. |
| (a) | 9.2% to Last Traded Price; and | | | | | |
| (b) | 6.1% to the theoretical ex-rights price ⁽⁴⁾ of S\$0.1256 per Share as calculated based on the Last Traded Price. | | | | | |
| Allotment Ratio | : | The Rights Issue will be made on a non-renounceable basis to Entitled Shareholders on the basis of four (4) Rights Shares for every seven (7) Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares. | | | | |
| Number of Rights
Shares to be
Issued | : | Based on the issued share capital of the Company as at the Latest Practicable Date of 1,413,328,857 Shares (excluding treasury shares), the Company will allot and issue up to 807,616,489 Rights Shares under the Rights Issue. | | | | |

⁴ The theoretical ex-rights price is calculated based on the following formula, assuming completion of the Rights Issue:

$$TERP = \frac{\text{Market capitalisation based on Last Traded Price} + \text{gross proceeds from the Rights Issue}}{\text{No. of shares after completion of the Rights Issue}}$$

The Company has no treasury shares as at the Latest Practicable Date. The Company does not have any other outstanding convertible securities and subsidiary holdings as at the Latest Practicable Date.

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu*, in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

Trading of Rights : **As the Rights Issue is made on a non-renounceable basis, the provisional allotment of the Rights Shares cannot be renounced in part or in whole in favour of a third party, or traded on the SGX-ST.**

Listing and Trading of Rights Shares and Odd Lots : The SGX-ST has granted in-principle approval for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST (subject to certain conditions as described in Paragraph 1.4 of this Circular). The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

The Rights Shares will be admitted to the Official List of the SGX-ST after all certificates relating thereto have been issued and the notification letters from CDP have been despatched. Each board lot of Rights Shares will consist of 100 Rights Shares.

Shareholders who hold odd lots of Shares can trade in board lots of one Share on the SGX-ST's Unit Share Market. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid and Shareholders may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

Eligibility to participate in the Rights Issue : Please refer to Paragraph 3.5 of this Circular.

Applications for Excess Rights Shares : Fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders and any Rights Shares that are not otherwise allotted for whatever reason, be aggregated and used to satisfy Excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company, subject to applicable laws and the Listing Rules of the SGX-ST, provided that in the allotment of the Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any allotment and issue of any excess Rights Shares that will result in a transfer of any controlling interest in the Company unless otherwise approved by Shareholders at the AGM.

No undertaking : As at the Latest Practicable Date, the Company has not received any undertakings from any of its Substantial Shareholders to take up their respective Rights Shares. Nonetheless, TTA has expressed its intention to support the Rights Issue by subscribing and procuring its subsidiaries to subscribe, for its *pro rata* entitlement of 470,233,149 Rights Shares.

Option to scale down : Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Entitled Shareholders (if such Entitled Shareholder chooses to subscribe for his/her/its *pro rata* Rights Share entitlements and/or apply for Excess Rights Shares) to avoid placing the relevant Entitled Shareholder and parties acting in concert with him/her/it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Entitled Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully, and/or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting.

In the event that, based on the applications received pursuant to the Rights Issue, the Thai shareholding in the Company falls below 50%, the Company may scale down the subscription for the Rights Issue by any of the Entitled Shareholders or take any other appropriate action regarding allocation of the Rights Shares to avoid the Thai shareholding in the Company falling below 50%.⁽⁵⁾

Underwriting : The Rights Issue will not be underwritten. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Rights Issue. After taking into consideration the aforementioned and the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not practical for the Rights Issue to be underwritten by a financial institution.

Governing Law : Laws of the Republic of Singapore.

Please refer to **Appendix 2** to this Circular for the indicative timetable.

3.2 Conditions for the Rights Issue

The Rights Issue is subject to, among others, the following:

- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST not having been withdrawn or revoked on or prior to the completion of the Rights Issue;

⁵ The Company is required to maintain at least 50% of the shareholding of the Company to be held by Thai Shareholders so that the Company will not be considered to be a "foreign entity" under the FBA.

Under the FBA, a foreign entity is prohibited or restricted from engaging in "Restricted Businesses" unless it has obtained permission from the relevant authorities. The Company is engaged in the business of providing drilling and sub-sea engineering services, which falls within the scope of "Restricted Businesses".

- (b) the approval of Shareholders for Resolutions 10 to 13 having been obtained at the AGM; and
- (c) the completion of the registration of the Increase in Registered Capital further to the completion of the registration of the Reduction in Registered Capital with the MOC.

3.3 Rationale of the Rights Issue and Use of Proceeds

The Company is undertaking the Rights Issue with the objective of strengthening its financial position, enlarging its capital base and further enhancing the financial flexibility of the Group. The Rights Issue will also provide all Shareholders with an opportunity to participate in the growth and expansion of the Group's business and to maintain their *pro rata* equity interests in the Company by subscribing for their *pro rata* entitlements to the Rights Issue, as well as applying for excess Rights Shares at the Issue Price.

The Company expects to raise gross proceeds of up to approximately S\$95,298,745.70 and Net Proceeds of up to approximately S\$95,038,745.70 from the Rights Issue.

Based on the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Rights Issue taking into consideration the intended use of the Net Proceeds.

The Company intends to utilise the Net Proceeds for general corporate and working capital requirements of the Group, including to reduce overdue trade payables and/or to repay interest-bearing debt. While the present working capital available to the Group is sufficient to meet its present requirements, a stronger financial position will provide the Company with more flexibility and enhance the Group's ability to formulate, strategise and execute its business plans. The Group's current strategy and business plan is to retain customers in the geographical locations that the Group currently operates in, and to expand into new geographical locations, such as in Southeast Asia.

The Company will make periodic announcements via SGXNET on the utilisation of the proceeds from the Rights Issue, as and when the funds from the Rights Issue are materially disbursed, including whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report, in accordance with the Listing Manual of the SGX-ST. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of Net Proceeds for working capital in its announcement and the annual report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds from the Rights Issue, such Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market or debt instruments, corporate financing or loans or for any other purposes on a short-term basis as the Directors may deem fit.

3.4 Size of the Rights Issue

As at the Latest Practicable Date, the Company has not received any undertakings from any Shareholder to take up their respective Rights Shares. Nevertheless, TTA had earlier expressed its intention to support the Rights Issue by subscribing and procuring its subsidiaries to subscribe, for their *pro rata* entitlement of 470,233,149 Rights Shares.

For illustrative purposes, on the assumption that:

- (i) no new Shares have been issued by the Company prior to the Record Date;
- (ii) TTA has subscribed and procured its subsidiaries to subscribe for their *pro rata* entitlement; and
- (iii) no other Shareholder has subscribed for their entitlements,

the Company will issue 470,233,149 Rights Shares to TTA and its subsidiaries, fractional entitlements to be disregarded (“**Possible Subscription Scenario**”). In this scenario, only 470,233,149 Rights Shares of the 807,616,489 Rights Shares from the Increase in Registered Capital will be allocated, and the balance 337,383,340 Shares will remain unallocated.

Please refer to **Appendix 4** to this Circular for the detailed Possible Subscription Scenario.

3.5 **Eligibility of Shareholders to Participate in the Rights Issue**

(a) **Entitled Shareholders**

Subject to compliance with relevant securities laws, Entitled Shareholders will be entitled to participate in the Rights Issue and to receive the Instructions Booklet, ARE or the PAL, as the case may be, and its accompanying documents at their respective addresses. Entitled Shareholders who do not receive the Instructions Booklet, ARE or the PAL, as the case may be, may obtain them from the Share Registrar or CDP during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Record Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares. Please refer to Paragraph 4 of this Circular for more details on the allocation of the Excess Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part) or decline their Rights and are eligible to apply for Excess Rights Shares.

The procedures for, and the terms and conditions applicable to acceptances, and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be despatched by the Company to the Entitled Shareholders in due course.

(b) **Entitled Depositors**

The Rights of CDP will be split and credited to the Securities Accounts of Entitled Depositors. Subject to compliance with relevant securities laws, Entitled Depositors will therefore be entitled to participate in the Rights Issue and to receive the Instructions Booklet, ARE, and its accompanying documents at their respective addresses in Singapore or Thailand. Entitled Depositors who do not receive the Instructions Booklet or ARE may obtain them from CDP during the period up to the Closing Date.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. You are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 2 Shenton Way #02-02 SGX Centre, Singapore 068804, at least three (3) Market Days before the Record Date.

Shareholders who hold Shares under the SRS or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) through their relevant approved banks with which they hold their SRS accounts, or the respective finance companies and/or Depository Agents through which such Shareholders hold Shares. **ANY APPLICATION MADE BY THE AFORESAID SHAREHOLDERS DIRECTLY TO CDP OR THROUGH AUTOMATED TELLER MACHINES OF ANY PARTICIPATING BANK(S) NAMED IN THE INSTRUCTIONS BOOKLET BY SUCH ENTITLED SHAREHOLDERS WILL BE REJECTED.** Such Shareholders should refer to the Instructions Booklet, which will be issued by the Company in due course, for the details relating to the offer procedure in connection with the Rights Issue.

(c) **Entitled Scripholders**

Entitled Scripholders will be entitled to participate in the Rights Issue and to receive the Instructions Booklet, PAL, and its accompanying documents at their respective Singapore or

Thailand addresses. Entitled Scripholders who do not receive the Instructions Booklet or PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. You are reminded that any request to the Company to update their records or to effect any change in address must reach the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07 Singapore 098632, at least three (3) Market Days before the Record Date.

(d) SRS Investors

SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts. Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies.

(e) Restrictions on Participation in the Rights Issue by Non-Entitled Depositors and Non-Entitled Scripholders

The making or acceptance of the proposed offer of Rights and Rights Shares to persons who have registered addresses outside Singapore or Thailand, or who are resident in, or are citizens of, countries other than Singapore or Thailand, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Rights.

It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore or Thailand wishing to take up Rights under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this Paragraph are intended as a general guide only and any Non-Entitled Depositor or Non-Entitled Scripholder who is in doubt as to his position should consult his professional adviser without delay.

Receipt of this Circular, Instructions Booklet, or ARE or PAL, as the case may be, or the crediting of Rights to a Securities Account will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Circular, Instructions Booklet, and ARE or PAL, as the case may be, must be treated as sent for information only and should not be copied or redistributed.

Rights Shares will only be provisionally allotted (nil-paid) to Entitled Depositors (and Entitled Scripholders) on the basis of the Shares standing to the credit of their Securities Accounts and on the Register of Shareholders, respectively, as at the Record Date. In addition, AREs will not be sent to, and Rights will not be credited to the Securities Accounts of Shareholders (being Depositors), and PALs will not be sent to Shareholders (being scripholders), with registered addresses in the United States or other jurisdictions outside Singapore or Thailand or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Circular, Instructions Booklet, ARE or PAL, as the case may be, and/or a credit of Rights to a Securities Account in any territory other than Singapore or

Thailand may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such ARE or PAL, as the case may be, and/or credit of Rights to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such ARE or PAL, as the case may be, and/or credit of Rights to a Securities Account could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Circular, Instructions Booklet, ARE or PAL, as the case may be, must be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this Circular, Instructions Booklet, and/or ARE or PAL, as the case may be, or whose Securities Account is credited with Rights should not, in connection with the Rights Issue, distribute or send the same into any jurisdiction where to do so would or might contravene local security laws or regulations. If an ARE or PAL, as the case may be, or a credit of Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the Rights referred to in the ARE or PAL, as the case may be, or in this Circular unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this Circular, Instructions Booklet, or ARE or PAL, as the case may be, into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this Paragraph.

The Company reserves the right to reject any acceptances of the Rights Shares and if applicable, applications for Excess Rights Shares where it believes or has reason to believe, that such acceptances and if applicable, applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE or PAL, as the case may be, which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or Thailand which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore or Thailand for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or Thailand; (c) is not accompanied by a prescribed investor representation letter (for persons located in the United States or U.S. persons (as defined in Regulation S under the Securities Act)); or (d) purports to exclude any deemed representation or warranty.

Non-Entitled Depositors and Non-Entitled Scripholders, being Shareholders whose registered addresses with CDP and the Share Registrar, respectively, are not in Singapore or Thailand as at the Record Date or who have not, at least three (3) Market Days prior to the Record Date, provided CDP and the Share Registrar, respectively with addresses in Singapore or Thailand for the service of notices and documents, will not be entitled to participate in the Rights Issue. No Rights will be credited into the Securities Accounts of Non-Entitled Depositors and a PAL will not be sent to Non-Entitled Scripholders, and no purported acceptance thereof or application therefor by Non-Entitled Depositors or Non-Entitled Scripholders will be valid.

Non-Entitled Depositors and Non-Entitled Scripholders who wish to participate in the Rights Issue should provide CDP and the Share Registrar, respectively, with addresses in Singapore or Thailand for the service of notices and documents and any other evidence of eligibility that the Company, in its absolute discretion, requires at least three (3) Market Days prior to the Record Date. Save as provided above and for the avoidance of doubt, Non-Entitled Depositors and Non-Entitled Scripholders are not eligible to participate in the Rights Issue.

Shareholders who are U.S. persons located outside the United States or who are resident within the United States, who timely represent to the Share Registrar, CDP or their relevant depository agents, brokers or custodians that they are an Entitled Depositor or Entitled Scripholder by way of a prescribed investor representation letter, in accordance with their form of instruction, will be entitled to participate in the Rights Issue.

3.6 No Offer Information Statement or Prospectus

As the Rights Issue will be made pursuant to the exemptions invoked under Section 273(1)(ce) of the SFA, no prospectus or offer information statement will be lodged with the MAS.

4. DETAILS OF THE PROPOSED ALLOTMENT OF THE EXCESS RIGHTS SHARES

Entitled Shareholders will be eligible to apply for Excess Rights Shares. The Excess Rights Shares, which are represented by the Rights which are not accepted, taken up or allotted for any reason and the fractional Rights disregarded in accordance with the terms of the Rights Issue, will be aggregated.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Shareholder is less than the number of Excess Rights Shares applied for, the Entitled Shareholder shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted to an Entitled Depositor or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be returned or refunded to the Entitled Depositor **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of the participating bank or electronic service delivery networks (such as SGX Investor Portal) and the submission is unsuccessful) or **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP'S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

If no Excess Rights Shares are allotted to an Entitled Scripholder, or if the number of Excess Rights Shares allotted is less than that applied for, his remittance submitted on application for Excess Rights Shares will be returned or refunded to him. If the number of Excess Rights Shares allotted to an Entitled Scripholder is less than that applied for, the Entitled Scripholder shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him, and the surplus application monies will be returned or refunded to him. These amounts will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) Market Days after the Closing Date. In determining the amount of surplus application monies to be refunded, the aggregate amount payable for the Excess Rights Shares allotted to an Entitled Scripholder will be rounded upwards to the nearest whole cent. All monies and documents to be sent to the Entitled Scripholder shall be sent **BY ORDINARY POST** to his mailing address as maintained with the Share Registrar and **AT HIS OWN RISK**. The Entitled Shareholders shall bear all risks relating to fluctuations in foreign exchange rates.

5. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The financial effects of the Rights Issue on the audited consolidated financial statements of the Company and the Group for FY2024 are set out below for illustrative purposes only and do not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and/or the Group immediately after the completion of the Rights Issue.

The *pro forma* financial effects of the Rights Issue set out below have been computed based on the latest audited consolidated financial statements of the Group for FY2024 and are presented herein after taking into account the following assumptions:

- (i) the Rights Issue is fully subscribed;
- (ii) the financial effects of the Rights Issue on the Group's NTA and gearing is computed on the basis that the Rights Issue was completed on 31 December 2024, being the last day of FY2024;
- (iii) there is no return earned from the Net Proceeds;
- (iv) the estimated expenses in relation to the Rights Issue is approximately S\$260,000 and the Net Proceeds will be approximately S\$95,038,745.70; and
- (v) the financial effects of the Rights Issue on the Group's EPS is computed assuming that the Rights Issue was completed on 1 January 2024, being the first day of FY2024.

5.1 Share Capital

The effect of the Rights Issue on the share capital of the Company is set out below:

	As at the Latest Practicable Date	After completion of the Rights Issue
Issued and paid share capital (Baht)	1,413,328,857	2,220,945,346
No. of Shares	1,413,328,857	2,220,945,346

5.2 NTA

The effect of the Rights Issue on the NTA and the NTA per Share of the Company and the Group is set out below:

	As at 31 December 2024	After completion of the Rights Issue ⁽¹⁾
NTA ⁽²⁾ (US\$'000)	184,064	253,654
No. of Shares	1,413,328,857	2,220,945,346
NTA per Share (US cents)	13.02	11.42

Notes:

- (1) Net proceeds of the Rights Issue of US\$69,589,768 computed based on exchange rate of US\$1.00 : S\$1.3657 as at 31 December 2024 as extracted from Bloomberg L.P..
- (2) NTA is computed by subtracting intangible assets and non-controlling interests from total equity.

5.3 Earnings

Depending on the future earnings of the Group, the enlarged issued Shares following the issue of the Rights Shares may have a dilutive effect on the EPS in the event future earnings do not increase to a level commensurate with the earnings dilution arising from the enlarged issued Shares.

The effect of the Rights Issue on the profit attributable to owners of parent and the EPS of the Group is as follows:

	FY2024	After completion of the Rights Issue
Profit attributable to owners of parent (US\$'000)	13,776	13,776
Weighted average no. of Shares	1,413,328,857	2,220,945,346
EPS (US cents)	0.97	0.62

5.4 Gearing

The gearing of the Company and the Group, before and after the proposed Rights Issue, based on the unaudited financial statements for FY2024 of the Group is set out below:

	As at 31 December 2024	After completion of the Rights Issue⁽¹⁾
Total borrowings (US\$'000)	102,284	102,284
Equity attributable to owners of the parent (US\$'000)	184,086	253,676
Gearing (times) ⁽²⁾	0.56	0.40

Notes:

- (1) Net proceeds of the Rights Issue of US\$69,589,768 computed based on exchange rate of US\$1.00 : S\$1.3657 as at 31 December 2024 as extracted from Bloomberg L.P..
- (2) Gearing is computed by dividing total borrowings by equity attributable to owners of the parent.

6. OPERATING AND FINANCIAL REVIEW

The audited consolidated financial statements of the Group for FY2022, FY2023 and FY2024, as well as the review thereof, are set out in **Appendix 3** to this Circular.

The audited consolidated financial statements of the Group have been prepared in accordance with Thai GAAP, with the adoption of certain accounting policies based on IFRS. The SGX-ST has granted a waiver in respect of Rule 211(A) of the Listing Manual that would have otherwise required the future periodic reports of the Group to be prepared in accordance with SFRS, IFRS or U.S. GAAP.

7. ADEQUACY OF WORKING CAPITAL

As at the Latest Practicable Date, the Directors are of the reasonable opinion that, after taking into account the Group's internal resources and operating cashflow, and barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet the Group's present funding requirements.

8. RECORD DATE

Subject to Shareholders' approval of the Rights Issue at the AGM, the Record Date for the purpose of determining the entitlements of Shareholders under the Rights Issue will be announced at a later date as the Directors may determine.

9. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in **Appendix 4** to this Circular.

10. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

11. INSTRUCTIONS BOOKLET

An Instructions Booklet containing the terms and conditions of the Rights Issue including the procedures for acceptances and applications for the Rights Shares will be despatched by the Company to the Entitled Shareholders in due course, subject to, *inter alia*, the approval of Shareholders for the Rights Issue being obtained at the AGM. Acceptances and applications under the Rights Issue may only be made in the manner as prescribed in the Instructions Booklet and the ARE or PAL, as the case may be.

12. DIRECTORS' RECOMMENDATIONS

12.1 Proposed Reduction and Increase in Registered Capital

The Directors recommend that the Shareholders vote in favour of Resolutions 10 and 11 in relation to the Reduction in Registered Capital and the Increase in Registered Capital respectively in order for the Company to undertake the Rights Issue.

12.2 Proposed allocation of up to 807,616,489 Rights Shares from the Increase In Registered Capital for offering to Entitled Shareholders under the Rights Issue

The Directors are of the opinion, for the reasons set out in Paragraph 3.3 of this Circular, that the Rights Issue is in the best interests of the Company and accordingly, recommend that the Shareholders vote in favour of Resolution 12 in relation to the Rights Issue at the AGM.

12.3 Proposed grant of authority to the Board in connection with the Rights Issue

The Directors recommend that the Shareholders vote in favour of Resolution 13 to authorise the Board to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary in relation to the Rights Issue.

13. ANNUAL GENERAL MEETING

The AGM will be held at 10 a.m. (Bangkok time) on Wednesday, 30 April 2025 at Arabian Sea Room, No. 26/14, 5th Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Appointment of proxies for Entitled Shareholders

If you are an Entitled Shareholder and are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on your behalf, you should complete, sign and return the proxy form attached to this Circular in accordance with its printed instructions. The proxy form must be delivered to the chairman of the AGM or a person entrusted by the chairman of the AGM prior to the start of the AGM.

14.2 Shareholders who are Depositors

Shareholders who are Depositors cannot vote at the AGM. Such Shareholders who wish to exercise their voting rights in respect of their Shares would be required to complete, sign and return the voting instruction form attached to this Circular in accordance with its printed instructions as soon as possible and, in any event so as to arrive at CDP by 5.00 p.m. on 22 April 2025. CDP will collate all voting instructions received, and will appoint a proxy to attend the AGM and vote pursuant to your instructions.

Depositors who desire to personally attend and vote at the AGM under their names with regards to Shares that are credited to their Securities Account with CDP will be required to transfer their Shares out of CDP and register those Shares in their own names with the Company no less than two days prior to the AGM. This process for withdrawal takes approximately 10 Market Days.

Please refer to “Guidelines for Shareholder Participation in the Annual General Meeting No. 01/2025” for further information.

15. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Issue, the Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

16. STATEMENT BY THE MANAGER OF THE RIGHTS ISSUE

To the best of the Manager’s knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement in this Circular misleading.

17. CONSENTS

The Manager of the Rights Issue has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and references in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Drew & Napier LLC, named as the Company’s legal adviser as to Singapore law, in respect of the Rights Issue, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and references in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Kudun & Partners Co., Ltd., named as the Company’s legal adviser as to Thai law, in respect of the Rights Issue, the proposed Reduction and Increase in Registered Capital and the proposed amendment of the Memorandum of Association, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and references in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the following documents are available for inspection at the Company’s registered office at 26/28-29, Orakarn Building, 9th Floor, Soi Chidlom, Ploenchit Road, Kwaeng

Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand during normal business hours from the date of this Circular up to and including the date of the AGM:

- (a) the Memorandum of Association of the Company;
- (b) the Articles of Association of the Company;
- (c) the in-principle approval by SGX-ST in relation to the listing of and quotation for the Rights Shares on the Official List of the SGX-ST granted on 28 March 2025;
- (d) the letters of consent referred to in Paragraph 17 above; and
- (e) the Company's audited consolidated financial statements for the year ended 31 December 2024.

Yours faithfully
For and on behalf of
the Board of Directors of
Mermaid Maritime Public Company Limited

Prasert Bunsumpun
Non-Executive Chairman

APPENDIX 1

RELEVANT PROVISIONS UNDER THE PLCA

The relevant provisions under the PLCA are Section 136, Section 137, and Section 140 of the PLCA, which are set out below.

Section 136. The company may increase the amount of its registered capital by issuing new shares.

The issuance of new shares under paragraph one may be made after:

- (1) all the shares have been completely sold and paid-up in full, or, if the shares have not been completely sold, the remaining shares shall be the shares issued for the exercise of rights under convertible debentures or share warrant;
- (2) the meeting of shareholders has passed a resolution by not less than three quarters of the total number of votes held by the shareholders attending the meeting and having the right to vote; and
- (3) the said resolution has been submitted to the Registrar for the registration of a change in the registered capital within fourteen days as from the date on which the meeting passes such resolution.

In this regard, the provisions of Chapter III and Chapter V shall apply *mutatis mutandis*.

Section 137. The new shares under section 136 may be offered for sale in whole or in part and may be either first offered for sale to the shareholders in proportion to the number of shares already held by each of them or may be offered for sale to the public or other persons in whole or in part in accordance with the resolution of the meeting of shareholders and section 38 shall apply *mutatis mutandis*.

Section 140. The meeting of shareholders may pass a resolution to reduce the company's capital by decreasing the number of registered shares which have not been purchased by anyone or which have not yet been issued. After the meeting passes the resolution, the company shall apply to register the reduction of its capital within fourteen days as from the date on which the meeting passes such resolution.

APPENDIX 2

INDICATIVE TIMETABLE FOR THE RIGHTS ISSUE

An indicative timeline for the Rights Issue (which is conditional upon the approval or waivers of relevant authorities) is set out below (all references are to Singapore dates and times):

Announce notice of AGM and despatch of Circular	:	8 April 2025, Tuesday
Annual General Meeting	:	30 April 2025, Wednesday
Announce Record Date	:	9 June 2025, Monday
First day of Shares traded “ex-rights” for the Rights Issue	:	16 June 2025, Monday
Record Date to determine rights entitlement	:	17 June 2025, Tuesday at 5.00 p.m. (“D”)
Despatch of the Instructions Booklet	:	20 June 2025, Friday (D+3 Market Days)
Last date and time for acceptance of and payment for Rights Shares	:	30 June 2025, Monday at 5.30 p.m. (9.30 p.m. for electronic applications) (D+9 Market Days)
Last date and time for application of and payment for Excess Rights Shares	:	30 June 2025, Monday at 5.30 p.m. (9.30 p.m. for electronic applications) (D+9 Market Days)
Expected date for issuance of Rights Shares ⁽¹⁾	:	7 July 2025, Monday
Expected date for commencement of trading of Rights Shares	:	8 July 2025, Tuesday at 9.00 a.m.

The indicative timetable above is subject to modifications at the discretion of the Company, following consultation with the Manager.

Notes:

- (1) Under the relevant Thai law, a public company is required to register the increase of paid-up capital with the MOC within 14 days from the date on which all offered shares, i.e. the Rights Shares in this case, were paid up. The issuance of Rights Shares is conditional upon the completion of the registration of the increase of paid-up capital with the MOC.

APPENDIX 3

OPERATING AND FINANCIAL REVIEW

The audited consolidated financial statements of the Group for FY2022, FY2023 and FY2024, as well as the review thereof, are set out below.

1. Financial Results

The audited consolidated statement of comprehensive income of the Group for the last three FYs is set out below:

(US\$'000)	FY2022	FY2023	FY2024
Income			
Revenue from rendering of services	223,935	275,402	513,342
Interest income	126	187	294
Reversal of impairment loss on property, plant and equipment	-	256	9,913
Other income	1,247	1,748	1,721
Total income	225,308	277,593	525,270
Expenses			
Costs of rendering of services	206,480	242,736	475,188
Administrative expenses	15,452	20,994	25,381
Net loss on foreign exchange	1,033	903	1,214
Finance costs	3,317	5,643	8,691
Total expenses	226,282	270,276	510,474
Share of profit of joint ventures and associates accounted for using equity method	2,897	3,867	1,619
Profit before income tax expense	1,923	11,184	16,415
Tax expense	1,585	1,520	2,243
Profit for the year	338	9,664	14,172
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Translation adjustments	-	-	-
Items that will not be reclassified to profit or loss			
Gain (loss) on remeasurements of defined benefit plans	(73)	(1)	25
Other comprehensive income (expense) for the year, net of tax	(73)	(1)	25
Total comprehensive income for the year	265	9,663	14,197
Profit (loss) attributable to:			
Owners of parent	(195)	9,593	13,776
Non-controlling interests	533	71	396
	338	9,664	14,172

Total comprehensive income (expense) attributable to:			
Owners of parent	(267)	9,592	13,800
Non-controlling interests	532	71	397
	265	9,663	14,197
Basic earnings (losses) per share	(0.0001)	0.0068	0.0097

A review of the operations, business, and financial performance of the Group for the last three FYs is set out below:

FY2022 compared to FY2023

The Group reported a service income of US\$275.4 million in FY2023, an increase of US\$51.5 million or 23% as compared to US\$223.9 million in FY2022. This increase was primarily due to subsea inspection, repair and maintenance services and subsea transportation and installation services.

The Group generated a gross profit of US\$32.7 million for FY2023, an increase of US\$15.2 million or 86.9% as compared to US\$17.5 million in FY2022. This increase was primarily due to an improvement in utilisation of all vessels in comparison with FY2022.

The Group reported administrative expenses of US\$21.0 million for FY2023, an increase of US\$5.5 million or 35.5% as compared to US\$15.5 million in FY2022. This was primarily due to provisions for performance bonus, bad debt expenses, depreciation expenses, and professional fees.

The Group's subsea services reported an operating profit of US\$15.2 million for FY2023, an increase of US\$8.4 million as compared to US\$6.8 million in FY2022.

The Group reported an operating profit of US\$13.0 million for FY2023, an increase of US\$10.7 million as compared to US\$2.3 million in FY2022. This was primarily due to improvements in service income from subsea services and gross profit for the year.

The Group reported finance costs of US\$ 5.6 million for FY2023, an increase of US\$ 2.3 million as compared to US\$3.3 million in FY2022. The increase was primarily due to interest from borrowings from the parent company.

The share of profit of associates and joint ventures was US\$3.9 million for FY2023, an increase of US\$1.0 million as compared to US\$ 2.9 million in FY2022. This was primarily due to higher profits generated by one of the joint ventures of the Group, Zeaquest Co., Ltd.

The Group reported tax expenses of US\$1.5 million for FY2023, a decrease of US\$0.1 million as compared to US\$1.6 million in FY2022.

As a result, the Group reported a net profit of US\$9.7 million for FY2023, being an improvement of US\$9.4 million as compared to US\$0.3 million in FY2022.

FY2023 compared to FY2024

The subsea group and the Group reported a service income of US\$513.3 million in FY2024, an increase of US\$237.9 million or 86.4% as compared to US\$275.4 million in FY2023. This increase was primarily due to the growth in all service sectors, such as subsea inspection, repair and maintenance services, cable laying services and subsea transportation and installation and decommissioning services.

The subsea group and the Group generated a gross profit of US\$38.2 million for FY2024, an increase of US\$5.5 million or 16.8% as compared to US\$32.7 million in FY2023. This increase was primarily due to an improvement in gross margin for cable laying services and other subsea inspection, repair and maintenance services. However, the gross margin from transportation and installation and decommissioning services was lower when compared to the previous year as a result of higher project costs while subsea inspection, repair and maintenance owned vessels generated a gross loss compared to a gross profit of the previous year due to dry-docking costs and repair and maintenance costs that occurred in FY2024.

The Group reported administrative expenses of US\$25.4 million in FY2024, an increase of US\$4.4 million or 20.9% as compared to US\$21.0 million in FY2023. This was primarily due to allowances for expected credit loss, increases in IT service fees, employee benefits expenses, unclaimable withholding taxes and travelling expenses.

The Group reported reversal of impairment losses on property, plant and equipment of US\$9.9 million in FY2024, an increase of US\$9.6 million as compared to US\$0.3 million in FY2023. The impairment losses on two owned subsea vessels were reversed as the recoverable amounts of these vessels, determined as the higher of fair value less costs of disposal and value in use, exceeded their carrying amounts impaired in prior periods.

The Group reported finance costs of US\$8.7 million in FY2024, an increase of US\$3.1 million as compared to US\$5.6 million in FY2023. This was mainly due to an increase in borrowings from the parent company.

The share of profit of associates and joint ventures was US\$1.6 million in FY2024, a decrease of US\$2.3 million as compared to US\$3.9 million in FY2023. This was primarily due to a lower share of profits of US\$0.9 million generated from a joint venture, Millennium 3 Ship Management and Operations DMCCO, as well as a higher share of losses of US\$0.9 million for FY2024 as compared to share of profits of US\$0.8 million in FY2023, generated from a joint venture, Zeaquest Co., Ltd.

The Group reported tax expenses of US\$2.2 million in FY2024, an increase of US\$0.7 million as compared to US\$1.5 million in FY2023. This was primarily due to corporate income tax in Saudi Arabia and UAE.

As a result, the Group reported a net profit of US\$14.2 million in FY2024, being an improvement of US\$4.5 million as compared to US\$9.7 million in FY2023. However, the net profit for FY2024, excluding the reversal of the impairment loss would be US\$4.3 million, representing a decline of US\$5.1 million compared to FY2023. This decrease was primarily due to higher costs of rendering services, increased administrative expenses and finance costs, and a lower share of profit from joint ventures as described above.

2. Cash Flows

The Group's cash flow position for the last three FYs is set out below:

(US\$'000)	FY2022	FY2023	FY2024
<i>Cash flows from operating activities</i>			
Profits for the year	338	9,664	14,172
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	1,585	1,520	2,243
Finance costs	3,317	5,643	8,691
Depreciation and amortisation	18,726	25,053	30,596
Unrealised (gain) loss on exchange	(812)	394	468
Gain from sale of trading securities	(2)	–	–
Gain from sale of investment in mutual fund	(4)	–	–

Share of profit of joint ventures and associate accounted for using equity method, net of tax	(2,897)	(3,867)	(1,619)
(Reversal of) expected credit loss	(505)	21	889
Reversal of impairment loss on property, plant and equipment and intangible assets	–	(256)	(9,913)
Gain on disposal of investment in joint venture	(31)	–	–
Gain on disposals of property, plant and equipment and intangible assets	(85)	(12)	(6)
Interest income	(126)	(187)	(294)
Provision for employee benefits	517	602	655
Loss from write-off non-refundable withholding tax	501	679	718
	20,522	39,254	46,600
<i>Changes in operating assets and liabilities</i>			
Restricted deposit at financial institutions	(218)	(6,615)	11,689
Trade and other current receivables	415	(43,569)	(64,477)
Supplies and spare parts	(601)	4	627
Other non-current assets	(6)	–	–
Trade and other current payables	10,988	22,880	28,704
Translation adjustments	–	–	–
Net cash generated from operations	31,100	11,954	23,143
Provision for employee benefit paid	(153)	(165)	(288)
Taxes paid	(2,557)	(1,830)	(7,210)
Net cash from operating activities	28,390	9,959	15,645
<i>Cash flows from investing activities</i>			
Proceed from sale of current investments	2,880	–	–
Increase in short-term loan to related party	(1,250)	(2,000)	(2,250)
Proceeds from short-term loan to related party	–	–	1,250
Proceeds from long-term loan to related party	1,092	–	–
Proceeds from sale of assets held for sale	–	–	752
Proceeds from sale of property, plant and equipment and intangible assets	2,087	28	6
Acquisition of property, plant and equipment and intangible assets	(14,931)	(11,117)	(29,888)
Proceeds from sale of interest in joint venture	31	–	–
Acquisition of interest in joint venture	–	–	(750)
Dividend received	–	–	1,387
Interest paid	105	198	304
Net cash used in investing activities	(9,986)	(12,891)	(29,189)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings from parent company	4,000	45,000	30,000
Repayment of borrowings from parent company	–	–	(3,500)
Proceeds from borrowings from financial institutions	–	8,926	27,873
Repayment of borrowing from financial institutions	–	(14,289)	(33,403)
Payment of lease liabilities	(5,454)	(10,308)	(10,272)
Interest paid	(2,208)	(3,986)	(3,846)

Net cash from (used in) financing activities	(17,934)	25,343	6,852
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	470	22,411	(6,692)
Effect of exchange rate changes on cash and cash equivalents	(652)	105	(684)
Net increase (decrease) in cash and cash equivalents	(182)	22,516	(7,376)
Cash and cash equivalents at 1 January	7,983	7,801	30,317
Cash and cash equivalents at 31 December	7,801	30,317	22,941

Non-cash transactions

Acquisition of interest in joint venture	15	–	–
Payables for purchase of property, plant and equipment	813	1,212	895
Lease agreements for purchase of equipment	34,071	445	402
Other payable net of dividend receivable from joint venture	1,330	3,746	2,996

A review of the cash flow position of the Group for the past 3 FYs is set out below:

FY2022

The Group had net cash from operating activities of US\$28.4 million. This was primarily due to an increase in trade and other accounts payable and net profit for the year.

The Group had net cash used in investing activities of US\$10 million. This was primarily due to an increase in a short-term loan to a related party of US\$1.3 million and acquisitions of property, plant and equipment of US\$14.9 million. These were offset against cash received from the sale of property, plant and equipment of US\$2.1 million, cash received from the sale of a current investment of US\$2.9 million, and cash received from a long-term loan to a related party of US\$1.1 million.

The Group had net cash used in financing activities of US\$17.9 million. This was primarily due to repayment to a financial institution of US\$14.3 million, payment of lease liabilities of US\$5.4 million and payment of interest of US\$2.2 million. These were offset against cash borrowed from its parent company of US\$4.0 million for working capital purposes.

FY2023

The Group had net cash from operating activities of US\$10 million. This was primarily due to net profit generated for the year, adjusted for non-cash items and changes in operating assets and liabilities.

The Group had net cash used in investing activities of US\$12.9 million. This was primarily due to an increase in a short-term loan to a related party of US\$2 million and acquisitions of property, plant and equipment and intangible assets of US\$11.1 million.

The Group had net cash from financing activities of US\$25.3 million. This was primarily due to cash received from borrowings from its parent company of US\$45 million and cash received from borrowings from financial institutions of US\$9 million. These were offset against repayment to a financial institution of US\$14.3 million, payment of lease liabilities of US\$10.3 million, and finance costs paid of US\$4 million.

FY2024

The Group had net cash from operating activities of US\$15.6 million. This was primarily due to net profit generated for the year, adjusted for non-cash items and changes in operating assets and liabilities.

The Group had net cash used in investing activities of US\$29.2 million. This was primarily due to an increase in a short-term loan to a related party of US\$2.3 million and acquisitions of property, plant and equipment of US\$29.9 million, which was offset by proceeds from repayment of a short-term loan to a related party of US\$1.3 million and dividends received from a joint venture of US\$1.4 million.

The Group had net cash from financing activities of US\$6.9 million. This was primarily due to cash received from borrowings from its parent company of US\$30.0 million and cash received from borrowings from financial institutions of US\$27.9 million. However, this was offset against repayments to financial institutions of US\$33.4 million, a repayment to its parent company of US\$3.5 million, payment of lease liabilities of US\$10.3 million, and finance costs paid of US\$3.8 million.

3. Balance Sheet

A summary of the Group's balance sheet at the end of each of the last three FYs is set out below:

(US\$'000)	FY2022	FY2023	FY2024
Assets			
Current assets			
Cash and cash equivalents	7,801	30,317	22,941
Trade and other accounts receivable	63,391	110,597	181,843
Short-term loans to related parties	1,250	3,250	4,250
Supplies and spare parts	948	944	317
Non-current assets classified as held for sale	–	752	–
Total current assets	73,930	145,860	209,351
Non-current assets			
Restricted deposit at financial institution	8,405	15,020	3,331
Investment in associate	22,381	22,362	22,356
Investment in joint ventures	6,119	6,259	4,251
Other non-current receivable to joint venture	16,000	16,000	16,000
Investment properties	406	362	319
Property, plant and equipment	134,195	129,406	147,589
Right-of-use assets	29,355	20,536	11,700
Intangible assets	–	35	22
Deferred tax assets	616	655	709
Other non-current assets	84	84	84
Total non-current assets	217,561	210,719	206,361
Total assets	291,491	356,579	415,712
Liabilities and equity			
Current liabilities			
Trade and other accounts payable	54,178	77,797	109,684

Short-term borrowing from parent company	4,000	11,500	11,500
Short-term borrowing from financial institution	–	3,064	1,559
Current portion of long-term borrowing from parent company	5,000	17,500	63,500
Current portion of long-term borrowings from financial institution	14,209	17,429	9,511
Current portion of lease liabilities	8,683	9,211	10,061
Current income tax payable	2,238	2,095	2,602
Total current liabilities	88,308	138,596	208,417
Non-current liabilities			
Long-term borrowing from parent company	–	25,000	5,500
Long-term borrowings from financial institution	18,275	6,767	10,714
Lease liabilities	21,129	12,353	2,680
Deferred tax liabilities	19	1	–
Non-current provisions for employee benefits	2,820	3,259	3,601
Total non-current liabilities	42,243	47,380	22,495
Total Liabilities	130,551	185,976	230,912
Equity			
Share capital:			
Authorized share capital (1,416,700,697 ordinary shares, par value at Baht 1 per share)	–	–	–
Issued and paid share capital (1,413,328,857 ordinary shares, par value at baht 1 per share)	47,322	47,322	47,322
Share premium on ordinary shares	343,536	343,536	343,536
Deficit	(226,772)	(217,180)	(203,380)
Other components of equity	(3,392)	(3,392)	(3,392)
Equity attributable to owners of the parent	160,694	170,286	184,086
Non-controlling interests	246	317	714
Total equity	160,940	170,603	184,800
Total liabilities and equity	291,491	356,579	415,712

A review of the financial position of the Group for the last three FYs is set out below:

FY2022 compared to FY2023

The Group reported current assets of US\$145.9 million in FY2023, an increase of US\$72.0 million as compared to US\$73.9 million in FY2022. This was primarily due to (i) an increase in cash and cash equivalents of US\$22.5 million mainly from the borrowings from the parent company; (ii) an increase in trade and other accounts receivable of US\$46.7 million which is in line with the increase in service income; and (iii) an increase in a short-term loan to a related party of US\$2.0 million.

The Group reported non-current assets of US\$210.7 million in FY2023, a decrease of US\$6.9 million as compared to US\$217.6 million in FY2022. This was primarily due to (i) a decrease in right-of-use assets of US\$8.8 million; and (ii) a decrease in property, plant and equipment of US\$4.8 million, respectively. This was partially offset by an increase in restricted deposits with financial institutions of US\$6.6 million.

The Group reported current liabilities of US\$138.6 million in FY2023, an increase of US\$50.3 million as compared to US\$88.3 million in FY2022. The increase was mainly due to (i) an increase in trade and other accounts payable of US\$23.6 million; (ii) an increase in borrowings from the parent company of US\$20.0 million; and (iii) an increase in borrowings from financial institutions of US\$6.3 million.

The Group reported non-current liabilities of US\$47.4 million in FY2023, an increase of US\$5.2 million as compared to US\$42.2 million in FY2022. The increase was primarily due to (i) an increase in long-term borrowings from the parent company of US\$25.0 million; and (ii) an increase in long-term borrowings from financial institutions of US\$5.9 million. This was offset by (i) repayment of long-term borrowings from a financial institution of US\$14.3 million; and (ii) payment of lease liabilities of US\$10.3 million.

The Group reported equity of US\$170.6 million in FY2023, an increase of US\$9.7 million or approximately 6.0% as compared to US\$160.9 million in FY2022. This increase in equity was mainly due to net profit for FY2023.

FY2023 compared to FY2024

The Group reported current assets of US\$209.4 million in FY2024, an increase of US\$63.5 million as compared to US\$145.9 million in FY2023. This was primarily due to an increase in trade and other accounts receivable of US\$71.2 million which is in line with higher revenue from the rendering of services. However, it was partially offset by a decrease in cash and cash equivalents of US\$7.4 million and a decrease in supplies and spare parts of US\$0.6 million.

The Group reported non-current assets of US\$206.4 million in FY2024, a decrease of US\$4.3 million as compared to US\$210.7 million in FY2023. The decrease was primarily due to (i) a decrease in restricted deposits at financial institutions of US\$11.7 million; and (ii) a decrease in right-of-use assets of US\$8.8 million. Nevertheless, the decrease was offset by an increase in property, plant and equipment of US\$18.2 million.

The Group reported current liabilities of US\$208.4 million in FY2024, an increase of US\$69.8 million as compared to US\$138.6 million in FY2023. This was mainly due to (i) an increase in trade and other accounts payable of US\$31.9 million; and (ii) a net increase in the current portion of borrowings from its parent company of US\$46.0 million that resulted from new borrowings as well as a reclassification from long-term borrowings from its parent company. However, this was offset by a repayment of borrowings from financial institutions that resulted in a decrease in borrowings from financial institutions of US\$9.4 million.

The Group reported non-current liabilities of US\$22.5 million in FY2024, a decrease of US\$24.9 million as compared to US\$47.4 million in FY2023. The decrease was primarily due to (i) a reclassification of long-term borrowings from its parent company to the current portion of borrowings from its parent company of US\$19.5 million; and (ii) payment of lease liabilities of US\$9.7 million. The decrease was offset by an increase in long-term borrowings from financial institutions of US\$3.9 million.

The Group reported equity of US\$184.8 million in FY2024, an increase of US\$14.2 million or approximately 8.3% as compared to US\$170.6 million in FY2023. The increase in equity was mainly due to net profit for FY2024.

4. Working Capital

The working capital of the Group as at the end of the last three FYs is set out below:

(US\$'000)	FY2022	FY2023	FY2024
Total current assets	73,930	145,860	209,351
Total current liabilities	88,308	138,596	208,417
Working capital	(14,378)	7,264	934

FY2022 compared to FY2023

The Group's working capital in FY2023 was US\$7.3 million, marking an improvement of US\$21.7 million as compared to the negative working capital of US\$14.4 million in FY2022. However, the Company had a negative working capital of US\$19.7 million in FY2023, which was primarily due to borrowings from the parent company of US\$29 million. The parent company has also provided assurances that they will not call upon the borrowings for the next 12 months, unless the Company has sufficient funds to meet such outstanding financial obligations to the parent company. The Company management has assessed and ensured that the Group and the Company have the ability to continue their operations.

FY2023 compared to FY2024

Short-term borrowings of US\$11.5 million and long-term borrowings of US\$69.0 million were granted by the parent company and were denominated in US\$, with interest at the rate of 7% per annum. The repayment terms for short-term borrowings are on demand, and until March 2026 for long-term borrowings.

The Group's working capital in FY2024 was US\$0.9 million, a decrease of US\$6.4 million as compared to US\$7.3 million in FY2023. The Company had a negative working capital of US\$66.1 million in FY2024. This was primarily due to the short-term borrowings from the parent company of US\$11.5 million and the current portion of long-term borrowings from the parent company of US\$63.5 million. The parent company has confirmed that it will not demand the repayment of the borrowings for the next 12 months or unless the Company has sufficient funds to meet the outstanding financial obligations to the parent company. Management has assessed and ensured that the Group and the Company have the ability to continue their operations on a going concern basis.

APPENDIX 4

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date are as follows:

	As at Latest Practicable Date				Possible Subscription Scenario			
	Direct interest	Deemed interest	Total		Direct interest	Deemed interest	Total	
	No. of Shares	No. of Shares	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	No. of Shares	% ⁽²⁾
Directors								
Mr. Prasert Bunsumpun	–	–	–	–	–	–	–	–
Mr. Chalermchai Mahagitsiri ⁽³⁾	150,461,660	822,908,013	973,369,673	68.87	150,461,660	1,293,141,162	1,443,602,822	76.64
Mr. Jean Paul Thevenin	–	–	–	–	–	–	–	–
Mr. Paul Burger Whiley	1,109,000	–	–	0.04	1,109,000	–	–	0.04
Mr. Michel Lefebvre	–	–	–	–	–	–	–	–
Mr. Tang Kee Fei	–	–	–	–	–	–	–	–
Mr. Tay Yu-Jin	–	–	–	–	–	–	–	–
Substantial Shareholders								
TTA ⁽⁴⁾	700,000,000	122,908,013	822,908,013	58.22	1,100,000,000	193,141,162	1,293,141,162	68.65
Soleado Holdings Pte. Ltd. ⁽⁴⁾	102,109,593	–	102,109,593	7.22	160,457,931	–	160,457,931	8.52

Notes:

- (1) Based on 1,413,328,857 Shares as at the Latest Practicable Date.
- (2) Based on 1,883,562,006 Shares under the Possible Subscription Scenario.
- (3) Mr. Chalermchai Mahagitsiri's deemed interest arises from the shares in the Company held by TTA. Mr. Chalermchai Mahagitsiri is the registered holder of 277,679,159 ordinary shares (15.24%) in TTA and 150,000,000 ordinary shares (8.23%) are registered under his custodian account in TTA. His associates are Ms. Ausana Mahagitsiri who is a registered holder of 99,866,937 ordinary shares (5.48%) in TTA, Ms. Suvimol Mahagitsiri who is the registered holder of 42,325,623 ordinary shares (2.32%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 87,531,758 ordinary shares (4.80%) and under his custodian account of 22,620,700 ordinary shares (1.24%) in TTA. The Mahagitsiris are all associates of each other. The combined interest of the Mahagitsiris in TTA is therefore 680,024,177 ordinary shares (37.31%).
- (4) TTA's deemed interest arises from the shares in the Company held by its wholly owned subsidiaries Soleado Holdings Pte. Ltd. and Athene Holdings Ltd.. Athene Holdings Ltd. is the registered holder of 20,798,420 ordinary shares (1.47%) in the Company.