



MERMAID

MERMAID MARITIME PLC.

ANNUAL REPORT

2020

BUILDING ON CORE STRENGTHS



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FINANCIAL HIGHLIGHTS

(Consolidated numbers)

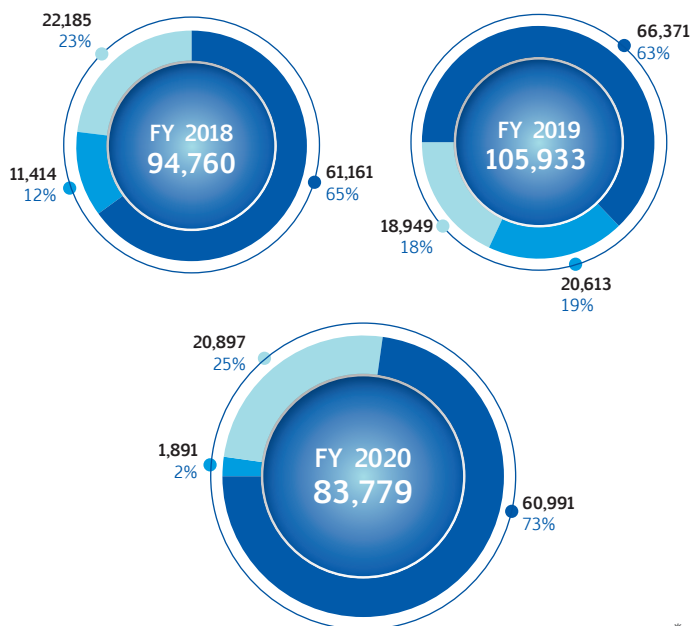
	Year Ended 31 December		
	2018	2019	2020
	<i>(in thousand US Dollars, except share, per share data, and ratios)</i>		
Revenue from rendering of services	94,760	105,933	83,779
EBITDA*	(12,289)	(1,467)	(11,761)
Net profits (losses)	(27,298)	(24,216)	(109,594)
Normalised profit/(loss)**	(27,298)	(19,860)	(29,842)
Book value per share	0.22	0.20	0.13
Return on shareholders' equity (%)	(8.31)	(8.05)	(47.21)
Net profits (losses) margin (%)	(28.81)	(22.86)	(130.81)
Total debt to total capitalisation (times)	0.18	0.16	0.25
Net gearing (%)	n/a	3.5	0.6

* EBITDA excludes non-recurring non-cash items (impairment losses and loss on disposal of investment in an associate)

** Net profits (losses) excludes non-recurring items

SERVICE INCOME

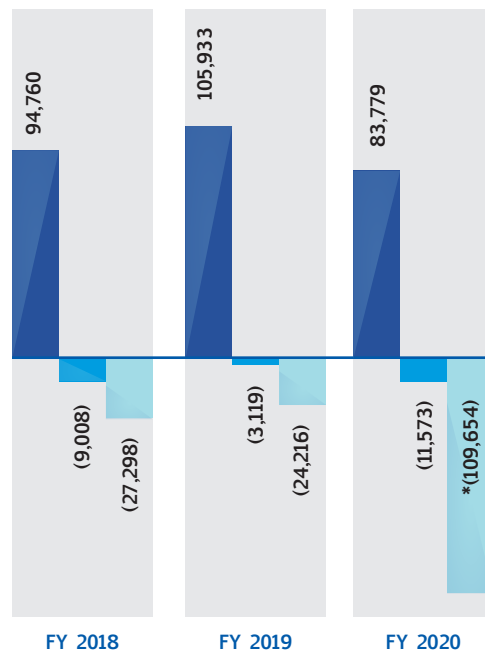
Unit : in thousand US Dollars



- National oil and gas companies
- International oil and gas companies
- Major EPCIC contractors

GROSS PROFIT

Unit : in thousand US Dollars



* (68,085) consequence from loss on disposal of investment in an associate

- Revenue from rendering of services
- Gross profit (loss)
- Net profit (loss)

/// MESSAGE FROM THE CHAIRMAN



DEAR VALUED SHAREHOLDERS,

It is my great honor to present to you our 2020 Annual Report. This year, as you may recognize, is a very challenging year for global situation due to the continuing impact of COVID-19 pandemic and volatile oil and gas price.

Nonetheless, 2020 has proven Mermaid's capability with good governance to be a leading international specialist for marine and subsea engineering service with a growing vision for business expansion and strong partnership management.

PRASERT BUNSUMPUN
CHAIRMAN OF THE BOARD

STAND ONE'S GROUNDS

2020 has been another difficult year for Mermaid with a diversity circumstance. The fluctuation of oil and gas situation took a big part to the global business. Brent Crude Average Closing Price dropped for 35% compared to 2019 while hitting the highest level at USD 70.3 which is lower than last year. Furthermore, the market for subsea vessels continued remaining highly over-supplied, with extreme pricing competition on vessel charter rates.

In 2020, three of Mermaid vessels had undertaken mandatory dry-docking operations to guarantee our operation readiness in the future. Mermaid was also confronted with other challenges impacting on our financial results for the year. The most important factor is the COVID-19 pandemic which has been ongoing since 2019 without a sign to halt. It has materially impacted the market with slowdown business growth and disruptions.

At the same time, additional cost in order to prevent the situation and maintain the operation increased significantly such as vessel running cost, quarantine cost and vessel chartering cost due to schedule postponement. Considering the competition for subsea vessels and operating cost, Mermaid decided to step out of the drilling business by exercised the put option to sell all of its 33.76% shares in Asia Offshore Drilling Limited ("AOD") for a consideration of USD 31.0 million as returns. The combination of these factors affected our bottom line.

However, appreciations to the best effort by the Board, senior management and all the company personnel, the concerns had been addressed and managed effectively on time which led to a limited impact.

The revenue earned in 2020 was USD 84.2 million. Consequently, Mermaid unfortunately ended the year in a net loss position of USD 109.6 million. However, it must be remarked that the acknowledgment of the situation and management capabilities led to impact minimization. Correspondingly, our strategies regarding to controller and uncertainties reduction made the company currently in a healthier position and prepare to handle 2021 onwards.

Also it is worth mentioning that in 2020 even though Mermaid generated USD 6.1 million in negative cash flow from operation but the cash balance in 2020 including restricted cash and investment was USD 56.7 million against debts of USD 57.6 million. At the end of 2020, our balance sheet position remained strong with current ratio of 2.27 times, liability to equity ratio of 0.47 times and net debt to equity ratio of 0.33 times.



BREAKING THE WAVES

During the year, Mermaid not only concentrated on IRM business but we also started to come back to what we are good at such as Cable Laying business since the last project took part in 2013, with a team of the right personnel to offer a decent backlog in the Middle East Area. Our partnership with reputable parties is currently active and begins to produce a result along with cost efficiency improvement and non-performing asset management. Consequently, we ended the 2020 year with an order book of USD 225 million. The primary contracts include the subsea inspection, repair and maintenance contracts and cable laying contracts with reputable clients in the Middle East.

IMPLEMENTING STRATEGIC NECESSITIES

COVID-19 pandemic has been continuing to impact the global economy since originated in 2019. It is believed to fluctuate the oil and gas price along with creating uncertainties in the whole market related to demand and supply. Even though our outlook as subsea service provider assumed to be shaken in the short term, but it is expected to be positive on a long term basis. Saudi Arabia has plans for billions of investments on the Eastern Seaboard up to the next 4-5 years whereas Qatar has plans for billions in Oil and Gas sector. Furthermore, West African market majors have allocated budgets towards subsea sector.

Therefore, in 2021, we will continue to focus on our core business of IRM while concentrating more on the respectable result cable laying business and business expansion as decommissioning service provider in South East Asia. We as well aim to develop more innovative technologies to keep providing advance solutions for customers.

Driven by visions of management team and supported by the right personnel, it will ensure our abilities to continue building sustained shareholder value in both short term and long term throughout challenging times. Mermaid has taken the considered course of action to conserve its cash reserves with a purpose to maintain the stability and ready to engage the opportunities in the future.

This is also the fourth year that we have published a Sustainability Report based on the Global Reporting Initiative framework which complies with SGX requirements. Mermaid remains committed to looking for ways to reduce the impact on the environment and to create positive social impact.

Furthermore, proven as our capabilities and trustworthiness, Mermaid is pleased to be recognized as one of the top 100 companies in the 2020 Singapore Governance and Transparency Index. We also received the award as Thailand's Best Integrated Subsea Services Provider for 2020 – Oil and Gas Sector by the Global Business Outlook magazine.



WORD OF THANKS

2020 was another challenging year which required the hard work and dedication from all our people as the key to step over the barricades and strengthening our foundation. Teamwork has been our key role since the origination of the Company and it has reflected the great result though out the difficulties. To our Board, I would like to thank you for your invaluable contribution, leadership, and recommendation. To our business partners and customers, we thank you for your faith and trust. Together, we have clearly established a decent relationship in order to operate successfully in this ever-changing business environment both good and difficult times.

Respectable corporate governance is fundamental for long term business sustainability and value creation for our shareholders. The Board and management will remain committed to complying with corporate governance best practices across our businesses and delivery of bottom line result to shareholders.

In conclusion, I would like to express my sincere gratitude to our shareholders for your continued support and the confidence you have placed in us. As we enter 2021, you can be assured that Mermaid shall continue to get over all the waves with stronger firm ground in the offshore oil and gas industry.

Yours Sincerely,



Mr. Prasert Bunsumpun
Chairman of the Board



MERMAID PROFILE

MERMAID is a leading international subsea and offshore services company which mainly providing Inspection, Repair and Maintenance service (“IRM”) and cable laying service. Our corporate headquarter is in Asia (Thailand), and we are listed on Singapore Stock Exchange (“SGX”). We have operational bases in the Middle East and South East Asia.

We provide full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. We have been in the offshore business for over 30 years and we are today present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff. Our visions are to be a premium service provider to the offshore oil and gas industry, to expand our business by types and regions to serve more customers demand and to constantly deliver enhanced return to our shareholder.



HONORARY ADVISER STATEMENT



“Many changes will occur in our business and the industry surrounding it. What makes for continuous growth is our open-mindedness to seize new opportunities and ways of thinking.”

PRAYUDH MAHAGITSIRI
HONORARY ADVISER

THE BOARD OF DIRECTORS



The Board of Directors (“Board”) is responsible for the overall management and strategic direction of Mermaid. The Board is required to meet on a quarterly basis to review and monitor our financial position and operations and to, among other things, approve adequacy of internal controls, risk management, financial reporting, corporate governance and compliance matters. Ad-hoc meetings are also called to discuss other major issues, such as establishment and capital increases of new subsidiaries, significant asset investments, strategy and annual budget approvals. The Board consist of not fewer than five (5) Directors as per the Articles of Association.

Mr. Prasert Bunsumpun brings to Mermaid 30 years of experience in the oil and gas industry. Besides his role in Mermaid, he serves as Chairman of other boards, including Thoresen Thai Agencies Plc., Yuanta Securities (Thailand) Co., Ltd., SVI Plc., and AIRA Capital Public Company Limited, and as a director on the board of Intouch Holdings Plc., Thaicom Plc., Major Cineplex Group Plc., and T.K.S. Technologies Plc. He also previously served as Chairman of Nok Airlines Plc., PTT Global Chemical Plc., PTT Exploration and Production Plc., PTT Chemical Plc., IRPC Plc. and Thai Lube Base Plc., and as Executive Chairman of Krungthai Bank Plc. He was President and CEO of PTT Plc. for over eight years. In addition, he served as a director of PTT Global Chemical Plc., PTT Plc., IRPC Plc., PTT Chemical Plc., PTT Exploration and Production Plc., PTT Aromatic and Refinery Plc., Thai Oil Plc., and Bangchak Petroleum Plc. Mr. Bunsumpun holds a Master in Business Administration (M.B.A.) from Utah State University, U.S.A., a Bachelor of Engineering in Civil Engineering (B.Eng.) from Chulalongkorn University in Thailand, and has a number of Honorary Doctorates from renowned universities in Thailand. He also completed his Certificate in Advanced Management Program (AMP 155) from Harvard Business School, U.S.A. He also completed the Role of the Chairman Program No. 28/2012 and Director Accreditation Program No. 26/2004 from the Thai Institute of Directors Association (IOD), and Certificate in Capital Market Academy Leadership Program Class 3/2006 from the Capital Market Academy.

Mr. Chalermchai Mahagitsiri brings a proven track record of successfully managing and growing a variety of businesses through his service as Chief Executive Officer of PM Group Co. Ltd., Director of Quality Coffee Products Co. Ltd., Director of Posco-Thainox Public Co. Ltd., Vice Chairman of Thai Film Industries Public Co. Ltd., and Managing Director of Lakewood Country Club Co. Ltd. He also serves as Executive Vice Chairman and President and CEO of Thoresen Thai Agencies Plc., Chairman of PM Thoresen Asia Holdings Plc. and Executive Vice Chairman of Unique Mining Services Plc. Mr. Chalermchai holds a Master of Science (M.Sc.) in Finance from Boston University and a Bachelor of Science (B.Sc.) in Finance from Suffolk University, both in the U.S.A. He also completed the Director Certification Program No. 53/2005 and the Director Accreditation Program No. 30/2004 from the Thai Institute of Directors Association (IOD), the Capital Market Academy Leadership Program Class 17/2013 from the Capital Market Academy (CMA), and the Academy of Business Creativity (ABC) Class 4/2016 and Digital Edge Fusion (DEF) Class 1/2017 from Sripatum University.

Mr. Jitender Pal Verma has been on the Mermaid Board since 2016. He also serves as a Director on the Board of Thoresen Thai Agencies Plc and PM Thoresen Asia Plc, which are listed entities on the Stock Exchange of Thailand (SET). He is also a Senior EVP and Group CFO of Thoresen Thai Agencies Plc. and is a director on the board of its other subsidiaries such as Soleado Holdings Pte. Ltd., Thoresen Shipping FZE, GAC Thoresen Logistics Ltd., Petrolift Inc. and PH Capital Co.,Ltd. He brings to Mermaid his diversified international business experience of more than 25 years in the various fields of shipping, marine, FMCG food, retail, electronics, metal, manufacturing and real estate development. He previously served as Chief Financial Officer and Acting Managing Director to companies such as Thainox Stainless Plc. (now POSCO Thainox Plc.), Dole Food Inc. and Seagate Technologies. Mr. Verma holds a Bachelor Degree in Commerce from the University of Delhi and is a Fellow Chartered Accountant (FCA). He also completed the Director Certification Program No. 78/2006, the Diploma Examination Class 49/2016, and the Board’s Role in Mergers and Acquisition (M&A) Class 1/2011 from the Thai Institute of Directors Association (IOD).



Dr. Jean Paul Thevenin has a Doctorate Degree (Ph.D.) in Metallurgy from Orsay University in France and has produced many publications in the field of steel and the steel industry, where he developed his longstanding career. He also serves as a director of Thoresen Thai Agencies Plc. and PM Thoresen Asia Holdings Plc. He was the former Managing Director and Chief Executive Officer of Thainox Stainless Plc., a stainless steel manufacturer in Thailand, which he was in charge of building and managing since 1991. He had also served for many years as President of the Franco-Thai Chamber of Commerce in Thailand and is an officer of the National Order of Merit, a French decoration awarded in recognition of his distinguished civil achievements, as well as a recipient of an honorary Ph.D. from King Mongkut Institute of Technology in Thailand.

Mr. Tang Kee Fei is a fellow member of the Chartered Institute of Management Accountants since 1991. Mr. Tang has over 30 years diversified international accounting and management experience in various multi-national companies. He served as VP Finance at Creative Technology Ltd from 1996 to 2013. He is currently the general manager of Asiatech Energy Pte Ltd.

Mr. Tay Yu-Jin is a partner and head of the Asia international arbitration practice of Mayer Brown LLP, a leading US global law firm. He is based in Singapore and has over 20 years of experience covering disputes arising from a broad range of sectors including energy, oil and gas, M&A/joint venture, construction and infrastructure, mining and natural resources, media, technology and general commercial disputes. In addition to acting as counsel, Yu-Jin sits regularly as presiding, sole and co-arbitrator in ICC, SIAC, LCIA, VIAC, HKIAC and ad hoc arbitrations. Yu-Jin was one among four Asian lawyers featured in Global Arbitration Review's 2011 global 45 under 45 ranking and has been ranked among the top partners in Arbitration: Future Leaders for consecutive years. He is recognised annually as a leading individual in major legal directories including GAR's International Who's Who (since 2010), Chambers Asia-Pacific (since 2008; ranked in the Asia-wide, Singapore, Indonesia, South Korea, and India chapters), Legal 500 (since 2008), Euromoney Guide to the World's Leading Experts in Commercial Arbitration (since 2006) and Benchmark Litigation (Local Disputes Star from 2013). In May 2019, Yu-Jin received individual commendation and led his team to winning the Financial Times Award for Most Innovative Dispute Resolution Team in the Asia Pacific. He is Vice President and Fellow of the Singapore Institute of Arbitrators. He has practiced in Paris, London and Washington DC and previously headed the Asia arbitration practice of a leading US wall street law firm and another major global law firm. He was called to the bar in England in 1998 and trained as a pupil at Fountain Court Chambers. As a Singapore Public Service Commission Overseas Merit Scholar, he served in the Singapore Ministry of Defence. Mr. Tay also has experience leading and advising on corporate and internal investigations within the Asia-Pacific region. He holds a Bachelor of Laws (LL.B.) and Master of Laws (LL.M.) from University College London.

Dr. Jan Jozef Skorupa is currently Managing Director and a major shareholder of Clesol Co. Ltd. (Clean Environment Solutions), a company involved with process and equipment of the MAGUIN Group from France for bio-ethanol plants and conversion of biomass into energy. He is the former Managing Director of Fives Asia Office in Bangkok, an important French Engineering Group focusing on process and equipment for cement, steel, glass, sugar and energy industries. Prior to that, he had served during 10 years as Managing Director of Stein Industry SA, a subsidiary of Alstom Group from France in South Africa involved with Coal Milling and Combustion Systems for Power Generation and Mining Industries. He obtained a Master Degree in Mining Engineering from Polytechnic University of Silesia in Poland and a Doctorate Degree (Ph.D.) at University of Cape Town in South Africa.

Note: Pursuant to the Articles of Association of the Company, Mr. Prasert Bunsumpun, Dr. Jean Paul Thevenin and Dr. Jan Josef Skorupa are scheduled to retire from the Board by rotation at the next Annual General Meeting of Shareholders No. 01/2021. All three retiring Directors shall be seeking re-election for another term at that general meeting. For additional information on Directors seeking re-election, please refer to the section on "General Disclosures" in this Annual Report.

/// KEY EXECUTIVES



Mr. Paul Burger Whiley is a co-founded Mermaid's existing business unit in the Middle East, and to the largest extent, together with his team, spearheaded our unrivalled positioning there. He resigned at the end of 2016 due to family reasons but has rejoined with Mermaid, and working as the Chief Operating Officer. Paul's track record speaks for itself, and is unprecedented in this segment of the offshore space. His ability to leverage forward book, and create business momentum has already paid substantial dividends, the proof of which is evident in our pipeline reporting for 2021 and beyond. Paul studied English and Law at the University of Natal, and also read Sociology at UNISA. He has a significant Saturation diving background, which followed naturally post his time in the Military, where he in fact become the most decorated Navy Diver in South African military history [Bravery - HC Gold].

Mr. Phiboon Buakhungamcharoen joined Mermaid in June 2005 and was appointed Chief Financial Officer in February 2017. During his 15 years of experience with Mermaid, he started working as a Financial Controller where he was responsible for and oversaw the finance and accounting function of Mermaid's Drilling Business Division. In October 2013, he was promoted to Finance Director where he oversaw the Management Reporting function for Mermaid covering both its Subsea and Drilling Business Divisions. In March 2016, he was appointed as Compliance and Internal Audit Director leading the internal audit team to audit and access internal controls, operation efficiencies and compliance.

Phiboon began his career in Finance & Accounting at IBM Thailand in 1996 where he worked for 5 years. He had also worked with Bristol-Myers Squibb Thailand in 2000 as a Business Analyst. Prior to joining Mermaid, he worked with Exel Thailand as their Management Accounting Manager during 2003-2005. He graduated with a Bachelor of Business Administration (major in Accounting) from Yonok University (scholarship program) and a Master of Business Administration (major in Finance) from the National Institute of Development Administration (NIDA), Thailand.

Mr. Simon Wilde has been associated with Mermaid since 2010 and in 2020 rejoined the Group and took up the role of Commercial Director based in Dubai. He has been in various accounting positions throughout his career with a focus in commercial/tendering in the subsea environment since 2008. Previously concentrating on the Middle East commercial activities, he now oversees commercial activities in the Group for both eastern and western hemispheres. Simon has extensive experience in costing and has been an integral part of the team that has won numerous successful subsea contracts over the years.

Mr. Pattarapol Wannarat joined Mermaid in 2021 as Regional Director - Zone 1 responsible for Asia Market for Mermaid Group. Pattarapol has over 14 years of experience in Offshore Installation and IRM interventions and has worked from both Derrick Lay Barge and Diving Support Vessels, engaged in a range of activities for offshore installation of platforms, pipelines, flexible hose as well as pre-commissioning activities with a range multinational companies.



Mr. Hans Huijskens
(Country Manager
- United Arab Emirates)

Mr. Marc Bernardis
(Country Manager
- Saudi Arabia)

Mr. Tyron Roworth
(Country Manager
- Saudi Arabia)

Mr. Hans Huijskens recently rejoined Mermaid and is responsible for the submarine flexible product installation aspect of the business. Over the past 25 years, he was involved in numerous cable installation projects on a worldwide basis. In 2004, he was a co-founder of Five Oceans Services which was merged in 2011 with a Company presently known as Seaway Offshore Cables. During the past 10 years, the focus shifted to the Middle East where significant cable/flexible/umbilical and fiber optic cable installation projects were successfully executed for a range of Clients. Hans holds a MSc degree from the University of Delft in Offshore Technology. Hans is residing in Dubai.

Mr. Marc Bernardis is the Country manager of Mermaid Subsea Services Saudi Arabia. Marc joined the group in 2013 and has successfully held various managerial positions including, Project manager and County manager. Marc has been in the diving and management field since 2005. He has worked for diverse organizations till date, particularly in South Africa and the Middle east. He is an Italian and South African national, holding a Bachelor of commerce and post graduate degrees from South Africa. He holds various certificates relate to the Diving Operations, Management, Safety and Other Marine Operations from South Africa. Marc has worked on the Saudi Aramco projects in various capacities for almost 7 years now and has been instrumental in the ongoing expansion and continual development of Mermaid Subsea Services Saudi Arabia.

Mr. Tyron Roworth is Country manager of Mermaid Subsea Services Saudi Arabia. Tyron joined the group in 2014 and has successfully held various managerial positions including Offshore construction manager, Project manager and Operations manager. Tyron has extensive leadership experience in the offshore and subsea sector including Diving, ROV and Marine. His career spans over 25 years covering all the major international oil and gas sectors including Africa, the Americas, Far East, Middle East and Australasia. Tyron began his career as a clearance diver in the South African Navy. He soon crossed over to the commercial sector and qualified as a Saturation Diving Supervisor. He holds an Advanced Diploma in Hyperbaric operations, Integrated management systems lead auditor, NEBOSH IOHSC and OGP client representative certification. Saudi Arabia is the groups most successful business unit. Tyron has been instrumental in the ongoing expansion and continual development of several ventures, including the long term IRM diving contract.

In addition, with the purpose of support company work in the Middle East, we also have;

Mr. Lennox Thompson joined the Group in 2012 in the capacity as Operations Manager responsible for overseeing Air, Mixed Gas, Saturation Diving and ROV as the interface between offshore projects and the clients before being promoted to Country Manager for Qatar and West Africa in 2014 and is currently based in Qatar. Lennox has an extensive Diving and Offshore Background going back some 28 years and has experience working in Africa, The Americas, Far and Middle East and Asia. Qualifications include Air, Mixed Gas and Saturation Diving Certification, IMCA Diving Supervisors, IOGP Representative and Assurance for Dive and ROV Systems, a Diploma in Dynamic Positioning, FEMECA Awareness and IOSH Managing Safely to name a few. The Mermaid Qatar Team have been successful in dealings with most of the O&G Majors within Qatar and have a well-established name and track record.

Note: The above Key Executives are in addition to Mr. Chalermchai Mahagitsiri (Chief Executive Officer). His profile can be found in the section on Board of Directors.

GLOBAL PRESENCE

Area of our inspection, installation, repair and maintenance services (“IRM”) and cable services



MIDDLE EAST

As our largest hub for the Group, Mermaid has continued to successfully provide our experience and quality services to high profile customers of various sizes of operations in the Middle East including IRM service, cable laying service, drilling service and others

AFRICA

Africa is present in the fabric of most of our experience. With vessels come mobility offering considerable advantage and a mid to longer term perspective, Mermaid has again this year, reactivated our interest in, and is actively looking for opportunities on both the West and East Coasts of Africa. We believe that a substantial portion of the sustainability of our endeavors in IRM lies on this continent.

ASIA PACIFIC AND SOUTH EAST ASIA

Mermaid has already initiated considerable significant clawback in Asia that is growing in momentum. In addition to oil and gas business which is still high competitive, we now also see Renewables in ASEAN taking off which Mermaid is positioning for the space.

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YEARS SINCE
MERMAID MARITIME'S
ESTABLISHMENT

500+

SKILLED DIVERS,
CREW, TECHNICIANS,
SUPPORT SERVICE
PROVIDERS &
MANAGEMENT

6

SUBSEA VESSELS

3 + 14

SATURATION AND
AIR DIVING SYSTEMS

13

REMOTELY OPERATED
VEHICLES



MERMAID FLEET PROFILE



MERMAID ENDURER (Built in 2010)

The DSV 'Mermaid Endurer' is a Norwegian purpose-built DP2 dive support and light construction vessel, specially designed for operations in severe weather conditions such as the North Sea. The vessel has high manoeuvrability and station keeping capabilities and is equipped with a built in 18-man single bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel has a 100-tonne active heave-compensated knuckle boom crane and accommodation for 86 personnel. The DSV 'Mermaid Endurer' is DNV classed and flies the Panama flag.



MERMAID ASIANA (Built in 2010)

The DSV 'Mermaid Asiana' is a purpose-built DP2 dive support and light construction vessel. The vessel is equipped with a built in 12-man single bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel also has a 100-tonne active heave-compensated knuckle boom crane and accommodation for 100 personnel. This vessel is designed for operations in the Middle East and Asia-Pacific region. The DSV 'Mermaid Asiana' is ABS classed and flies the Panama flag.



MERMAID COMMANDER (Built in 1987)

The DSV 'Mermaid Commander' is a purpose-built DP2 diving support vessel currently operating in the Gulf of Thailand. The vessel is equipped with a built in 16-man twin bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel has a 60-tonne crane and accommodation for 90 personnel. This vessel has an outstanding reputation for performance of diving operations worldwide, including offshore Brazil and the North Sea. The DSV 'Mermaid Commander' is DNV classed and flies the Panama flag.

MERMAID SAPPHIRE (Built in 2009)

The RSV 'Mermaid Sapphire' is a DP2 remotely operated vehicle ("ROV") support vessel equipped with a deepwater work-class ROV, a 23-tonne knuckle boom crane and accommodation for 60 personnel. In 2012, the vessel supported James Cameron in his historical deep sea dive to the Challenger Deep, the world's deepest point in the Pacific Ocean's Mariana Trench, 10.99km below ocean surface. The RSV 'Mermaid Sapphire' is ABS classed and flies the Panama flag.



MERMAID CHALLENGER (Built in 2008)

The MV 'Mermaid Challenger' is a DP1 offshore support vessel with 72-tonne bollard-pull capacity and is also suitable for performing ROV support vessel duties. This vessel can be equipped with heavy work-class ROVs and has accommodation for 38 personnel. Originally built as an anchor handling and tug supply vessel, the vessel has supported offshore operations in Vietnam for the past few years. The MV 'Mermaid Challenger' is DNV classed and flies the Panama flag.



MERMAID SIAM (Built in 1991)

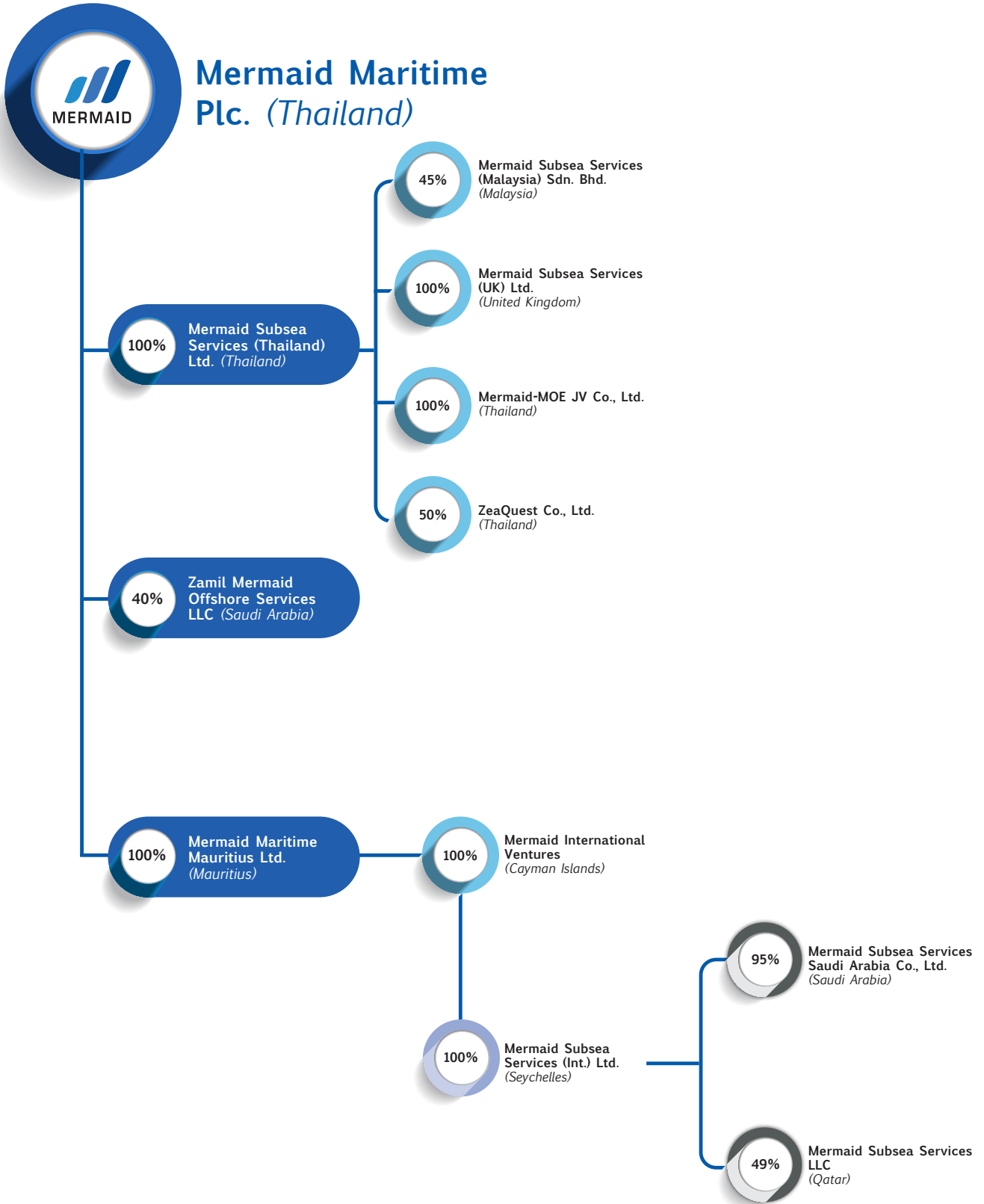
The MV 'Mermaid Siam' is a DP2 construction support barge. The vessel features an IMCA-compliant 10-man single bell saturation diving system rate 300-meter water depth. It is equipped with a 56-tonne crane, accommodation for 135 personnel, a conference room for 12 persons, numerous offices, recreation rooms, gymnasium, and hospital. The MV 'Mermaid Siam' is DNV classed and flies the St. Vincent and the Grenadines flag.

(Remark : Disposal in February 2021)



CORPORATE STRUCTURE

As at 31 December 2020



MERMAID GROUP COMPANIES

As at 31 December 2020

No.	Company	Type of Business	Place of Incorporation	Date of Incorporation	Company Registration No.	Type of Share	Paid-up Capital	Shares Issued	% of Mermaid Shareholding
1.	Mermaid Maritime Public Company Limited	Holding	Thailand	15 January 2007*	0107550000017	Ordinary	THB 1,413,328,857	1,413,328,857	-
2.	Mermaid Subsea Services (Thailand) Ltd.	Subsea	Thailand	24 June 2003	0105546072562	Ordinary	THB 2,130,000,000	213,000,000	100% (direct)
3.	Mermaid Subsea Services (International) Ltd.	Subsea	Seychelles	05 March 2008	046418	Ordinary	USD 1	1	100% (indirect)
4.	Mermaid Subsea Services LLC	Subsea	Qatar	11 November 2008	40867	Ordinary	QAR 200,000	200	49% (indirect)
5.	Mermaid Subsea Services Saudi Arabia Co. Ltd.	Subsea	Saudi Arabia	8 April 2011	623353	Ordinary	SAR 500,000	5,000	95% (indirect)
6.	Zamil Mermaid Offshore Services Company LLC	Subsea	Saudi Arabia	18 September 2012	2051050298	Ordinary	SAR 2,000,000	2,000	40% (direct)
7.	Mermaid Offshore Services Pte. Ltd.	Subsea	Singapore	28 March 2011	201107423W	Ordinary	USD 20,400,100	20,400,100	100% (indirect)
8.	Seascope Surveys Pte. Ltd.	Subsea	Singapore	24 November 2004	200415192D	Ordinary	SGD 100	100	100% (indirect)
9.	PT Seascope Surveys Indonesia	Subsea	Indonesia	19 January 2005	09.03.1.74.44960	Ordinary	IDR 7,328,000,000	800	49% (indirect)
10.	Mermaid Subsea Services (Malaysia) Sdn. Bhd.	Subsea	Malaysia	16 January 2018	1264208-U	Ordinary	MYR 550,000	550,000	45% (indirect)
11.	Mermaid Subsea Services (UK) Limited	Subsea	United Kingdom	7 February 2020	653829	Ordinary	GBP 100,000	100,000	100% (indirect)
12.	Mermaid Drilling Ltd.	Holding	Thailand	24 January 2005	0105548011196	Ordinary	THB 410,000,000	41,000,000	95% (direct)
13.	Mermaid Drilling (Malaysia) Sdn. Bhd.	Drilling	Malaysia	5 August 2005	705457A	Ordinary	MYR 500,000	500,000	95% (indirect)
14.	MTR-1 Ltd.	Drilling	Thailand	15 March 2005	0105548036890	Ordinary	THB 240,000,000	24,000,000	95% (indirect)
15.	MTR-2 Ltd.	Drilling	Thailand	15 March 2005	0105548036881	Ordinary	THB 267,750,000	35,000,000	95% (indirect)
16.	ZeaQuest Co., Ltd.	Subsea	Thailand	27 October 2020	0105563159131	Ordinary	THB 155,000,000	1,550,000	50% (indirect)
17.	Mermaid-MOE JV Co., Ltd.	Subsea	Thailand	10 September 2020	0105563133086	Ordinary	THB 1,000,000	100,000	100% (indirect)
18.	Mermaid Maritime Mauritius Ltd.	Holding	Mauritius	25 March 2014	121881	Ordinary	USD 1	1	100% (direct)
19.	Mermaid International Ventures	Holding	Cayman Islands	26 August 2014	291210	Ordinary	USD 100	100	100% (indirect)
20.	PTGC Co., Ltd.	Investment	Cambodia	26 September 2017	00028200	Ordinary	KHR 78,600,000,000	19,650,000	49% (direct)

* as a public listed company

CORPORATE GOVERNANCE

STATEMENT OF GENERAL COMPLIANCE

Mermaid Maritime Public Company Limited (“Mermaid” or the “Company”) is committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems within the Company and its subsidiaries (the “Group”).

As at 31 December 2020, Mermaid is generally in compliance with the principles and guidelines set out in the Singapore Code of Corporate Governance 2018 (the “Code”). Where there are deviations from the Code, appropriate explanations are provided. Specific disclosure in relation the Code is set forth below:

BOARD MATTERS

THE BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1

The Board oversees and manages the Company’s business under the control of the resolutions of the shareholders’ meeting in good faith and due care for the best interest of the Company. The Board is collectively responsible and works with management for the long-term success of the Company.

The key functions of the Board are to:

1. be responsible for the overall management and strategic direction for the Group;
2. perform duties with knowledge, competence, transparency, due care and accountability for the Company and its shareholders;
3. bring in expertise, capability and experience that are beneficial to the Company’s operations;
4. have leadership skills, vision and independent decision-making ability to ensure the utmost benefit to the Company and the shareholders; and
5. meet on a regular basis to review and monitor the Company’s financial position, management performance and business operation.

In performing the key functions above, the Board sets an appropriate tone-from-the-top and the desired organizational culture and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. The Board has also put in place a Code of Business Conduct setting out the Company’s business ethics.

Board Orientation and Training

The Company conducts a comprehensive induction to new Directors. This orientation program is conducted by the management of the Company to ensure that they are familiar with the Company’s business and governance practices. All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time, in order to raise awareness of compliance, essentials of the roles of a director and a member of each committee in a listed company. The Company shall be responsible for the course fees.

Upon the appointment of any new Director, the Company Secretary, apart from the induction, provides an official letter to clarify the terms of appointment, the Director's roles and the disclosures to the Company towards issues of conflicts of interest and change of shareholding interests, including the Company's policies.

Matters Requiring Board Approval

All acquisitions or investments, investments in securities and immovable assets, divestments, funding requests, borrowings and expenditures of the Group with a value equal to or exceeding US Dollars 25 million shall require the approval of the Board. The Executive Committee has the authority to approve such transactions below this threshold, unless they are, due to their nature, deemed to be material, in which case Board approval will be required instead.

All members of the Board have served the Company for several years and therefore understand the Company's business and their directorship duties.

Board Committees

There are five (5) committees on the Board: the Audit Committee, the Nomination Committee, the Remuneration Committee, the Executive Committee and the Risk Management Committee. The Audit Committee, the Nomination Committee and the Remuneration Committee were all formed on 26 June 2007. The Executive Committee was formed on 26 June 2012. The Risk Management Committee was formed on 18 September 2013.

The membership of the Board Committees are as follows:

Name	Type of Meetings					
	Board	Audit Com.	Rem. Com.	Nom. Com.	Exec. Com.	Risk Com.
Mr. Prasert Bunsumpun	Chair	-	-	-	Chair	-
Mr. Chalermchai Mahagitsiri	Member	-	-	-	Member	Member
Dr. Jean Paul Thevenin	Member	Member	Member	Member	Member	Chair
Mr. Jitender Pal Verma	Member	-	Member	-	Member	-
Dr. Jan Jozef Skorupa*	Member	Member	Chair	Member	-	-
Mr. Tang Kee Fei	Member	Chair	Member	-	-	Member
Mr. Tay Yu-Jin	Member	-	Member	Chair	-	-

* Also Lead Independent Director

Details of each Board Committee are as follows:

Audit Committee

As at 31 December 2020, the Audit Committee comprises one (1) Non-Executive Director, namely Dr. Jean Paul Thevenin, and two (2) Independent Directors, namely Mr. Tang Kee Fei and Dr. Jan Jozef Skorupa. The Chairman of the Audit Committee was Mr. Tang Kee Fei. The majority of the Audit Committee members, including the Chairman, are Independent Directors.

The Audit Committee is responsible, among other things to:

- review significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review the quarterly financial statements prior to approving or recommending their release to the Board, as applicable

- (c) oversee the performance and effectiveness of the Group's risk management systems and internal controls;
- (d) review the assurance from the Chief Executive Officer ("CEO") and the Chief Financial Officer on the financial records and financial statements;
- (e) make recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors and the remuneration and terms of engagement of the external auditors;
- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (g) review the qualification, independence and performance of the external auditors and non-audit services rendered by the external auditors;
- (h) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters so that they may be safely raised, independently investigated and appropriately followed up on;
- (i) review Interested Persons Transactions ("IPT") and Related Party Transactions ("RPT"); and
- (j) oversee the Internal Audit Department.

The Audit Committee takes measures to keep abreast of changes in accounting standards and issues which have a direct impact on the Company's financial statements.

Nomination Committee

As at 31 December 2020, the Nomination Committee comprises two (2) Non-Executive Directors, namely, Dr. Jean Paul Thevenin and Mr. Jitender Pal Verma, and three (3) Independent Directors, namely, Mr. Tang Kee Fei, Mr. Tay Yu-Jin, and Dr. Jan Jozef Skorupa. The Chairman of the Nomination Committee was Dr. Jan Jozef Skorupa.

The Nomination Committee is responsible, among other things, to:

- (a) review succession plans for Directors and, in particular, the Chairman, the CEO and key management personnel;
- (b) establish the process and criteria for evaluation of the performance of the Board, its Committees and Directors;
- (c) identify and/or make recommendations to the Board on all candidates nominated for appointment to the Board;
- (d) review Board structure, size, composition, core competencies and performance from time to time;
- (e) review the training and professional development programs for the Board and its Directors;
- (f) review all candidates nominated for key management positions in the Company; and
- (g) determine annually whether or not a Director is independent.

Remuneration Committee

As at 31 December 2020, the Remuneration Committee comprises one (1) Non-Executive Director, namely Dr. Jean Paul Thevenin, and two (2) Independent Directors, namely Mr. Tay Yu-Jin and Dr. Jan Jozef Skorupa.

The Chairman of the Remuneration Committee was Mr. Tay Yu-Jin. The majority of the Remuneration Committee members, including the Chairman, are Independent Directors.

The Remuneration Committee is responsible, among other things, to:

- (a) recommend to the Board a framework of remuneration for the Directors and key executives of the Company;
- (b) determine performance-related elements of remuneration for the Board's consideration; and
- (c) administer the share award or bonus schemes, if any.

Executive Committee

As at 31 December 2020, the Executive Committee comprises three (3) Non-Executive Directors, namely Mr. Prasert Bunsumpun, Mr. Jitender Pal Verma and Dr. Jean Paul Thevenin, and one (1) Executive Director namely Mr. Chalermchai Mahagitsiri. The Chairman of the Executive Committee was Mr. Prasert Bunsumpun.

The Executive Committee is responsible, among other things, to:

- (a) approve transactions with a value of up to US Dollars 25 million;
- (b) exercise powers of the Board to act upon any specific matters delegated by the Board from time to time;
- (c) consider the Company's business plan and annual budget for recommendation to the Board; and
- (d) consider the overall performance of the Company and provide recommendations to enhance performance.

Risk Management Committee

As at 31 December 2020, the Risk Management Committee comprises one (1) Independent Director namely Mr. Tang Kee Fei, one (1) Non-Executive Director namely Dr. Jean Paul Thevenin, one (1) Executive Director namely Mr. Chalermchai Mahagitsiri who is also the CEO, and Mr. Phiboon Buakhunngamcharoen who is the Chief Financial Officer. The Chairman of the Risk Committee was Dr. Jean Paul Thevenin.

The Risk Management Committee is responsible, among other things, to:

- (a) review and propose for approval from the Board on principles, policies, strategies, processes, and control frameworks for the management of key risks faced by the Group;
- (b) review, consider and/or make recommendation to change the level of risk taken by the Group for approval from the Board;
- (c) delegate its powers and discretions to executives of the Company with or without the authority to sub-delegate further; and
- (d) regularly coordinate with the Audit Committee by sharing information about risks and internal control potentially affecting the Group's business.

The number of Board and Board committee meetings held during the financial year ended 31 December 2020, as well as the attendance of every Board member at these meetings, including participation through teleconference, is as follows.

Name	Type of Meetings					
	Board	Audit Com.	Rem. Com.	Nom. Com.	Exec. Com.	Risk Com.
Mr. Prasert Bunsumpun	7/7	-	-	-	6/6	-
Mr. Chalermchai Mahagitsiri	7/7	-	-	-	6/6	2/2
Dr. Jean Paul Thevenin	7/7	4/4	1/1	1/1	6/6	2/2
Mr. Jitender Pal Verma	7/7	-	1/1	-	6/6	-
Dr. Jan Jozef Skorupa	7/7	4/4	1/1	1/1	-	-
Mr. Tang Kee Fei	6/7	4/4	1/1	-	-	2/2
Mr. Tay Yu-Jin	6/7	-	1/1	1/1	-	-

Review of Company Performance

The Board is accountable for providing a balanced and understandable assessment of the Company's performance. The Company releases quarterly and full year financial results via SGXNet on a timely basis.

Financial report and business updates are provided to the Executive Committee members on a monthly basis in order to review and assess the operation's performance. Such reports and business updates compare Mermaid's actual performance against the budget and highlight key business drivers/indicators and any major issues that are relevant to Mermaid's performance, position and prospects. The Executive Committee provides the updated report to the Board on a regular basis.

Voluntary Announcement of Quarterly Reports

On 9 January 2020, Singapore Exchange Regulation ("SGX RegCo") announced changes to quarterly reporting ("QR") requirements. Effective 7 February 2020, the risk-based approach to QR replaces the previous reporting requirement based on companies meeting, among other things, a certain minimum market capitalization.

Following this announcement, it is no longer mandatory for the Company to report its financials on a quarterly basis. In the interest of continuing to keep shareholders and stakeholders informed on the Company's performance and to continue to engage with investors on the Company's long-term business strategy, the Company shall continue to release its quarterly results via SGXNet on a voluntary basis.

Access to Information

The Board is provided complete, adequate and timely information prior to the Board meetings. Board meeting agenda and papers are prepared by the management and circulated to the Board in advance by the Company Secretary on an ongoing basis.

The Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for supporting the corporate secretarial functions to the Board to ensure the board procedures are followed. He also provides guidance to the Board in relation to the compliance of regulatory requirements by the Group.

The Company Secretary that presided for the year ended 31 December 2020 was re-appointed since 11 October 2019. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

With the approval of the Chairman, Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of his/her responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

BOARD COMPOSITION AND GUIDANCE

Principle 2

Each year, the Nomination Committee reviews and determines periodically whether or not a Director is independent and procure that at least one-third (1/3) for the Board shall comprise of Independent Directors (or such other minimum proportion and criteria as may be specified in the Code from time to time).

As at 31 December 2020, the Board comprises seven (7) Directors including three (3) Independent Directors, three (3) Non-Executive Directors, and one (1) Executive Director.

Board Independence

The Independent Directors have each declared that they are independent in conduct, character and judgment, and have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interest of the Company.

None of the Directors have served on the Board beyond nine (9) years from the date of his first appointment.

Board Composition and Size

The composition of the Board is governed by various laws, listing rules, articles and best practise including, but not limited to, the following:

- (a) the Board shall comprise of not less than five (5) persons (Section 67 of the Thai Public Companies Act B.E. 2535 (A.D. 1992) and Article 13 of the Articles of Association);
- (b) not less than half (1/2) of the total number of Directors shall be resident in Thailand (Section 67 of the Thai Public Companies Act B.E. 2535 (A.D. 1992) and Article 13 of the Articles of Association);
- (c) the Board shall comprise at least two (2) Independent Directors (Rule 210(5)(c) of the Listing Manual of the SGX-ST);
- (d) at least two (2) Independent Directors shall be resident in Singapore (Rule 221 of the Listing Manual of the SGX-ST);
- (e) Independent Directors should make up a majority of the Board where the Chairman is not independent (Principle 2, Guideline 2.2 of the Code);
- (f) Non-Executive Directors should make up a majority of the Board (Principle 2, Guideline 2.3 of the Code);
- (g) the Audit Committee should comprise at least three (3) Directors, a majority of whom, including the Chairman, should be Independent and all of whom should be Non-Executive Directors (Principle 10, Guideline 10.2 of the Code);
- (h) the Nomination Committee should comprise at least three (3) Directors, a majority of whom, including the Chairman, should be Independent (Principle 4, Guideline 4.2 of the Code);
- (i) the Remuneration Committee should comprise at least three (3) directors, a majority of whom, including the Chairman, should be Independent and all should be Non-Executive Directors (Principle 6, Guideline 6.2 of the Code);

- (j) the Risk Management Committee should comprise at least four (4) members of which two (2) should be Non-Executive Directors and the other two (2) should be the CEO and Chief Financial Officer (Section 3.2 of the Risk Management Committee Charter); and
- (k) the Lead Independent Director should be appointed where the Chairman is not an Independent Director (Principle 3, Guideline 3.3 of the Code) and should also be a member of the Nomination Committee (Principle 4, Guideline 4.2 of the Code).

The Nomination Committee reviews the structure, size and composition of the Board and Board Committees annually, including the skills and core competencies of its members to ensure an appropriate balance of skills and experience. The Nomination Committee is of the view that the Board is of the appropriate size and with the right mix of skills and experience given the nature and scope of the Group's operations.

A majority of the Board comprises Non-Executive Directors and one-third (1/3) of the Board are Independent Directors. This is to ensure that there is effective representation for shareholders and issues of strategy, performance and resources are fully disclosed and examined to take into account long-term interest of the shareholders, employees, customers, suppliers and the industry in which the Group conducts its business. The Board is able to exercise objective judgment independently from management and no small group of individuals dominates the decisions of the Board.

The Chairman is not an Independent Director. Pursuant to Guideline 2.2 of the Code, where the Chairman is not an Independent Director, Independent Directors should make a majority of the Board. The Nomination Committee considers that there remains a strong and independent element on the Board notwithstanding the Chairman not being an Independent Director as at 31 December 2020.

The Company is committed to building a diverse, inclusive and collaborative culture. The Company recognizes and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In reviewing the Board composition and appointments, the Nomination Committee takes into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors although merit remains the key driver.

The profile of each Director and other relevant information on the Directors are set out in the sections on "Board of Directors" and "General Disclosures" in this Annual Report.

Meeting of Directors without Management

The Non-Executive Directors and Independent Directors met regularly where necessary without the presence of management. The chairman of such meetings provide feedback to the Board and/or Chairman, as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There is a clear separation of responsibilities between the Chairman and the CEO to ensure an appropriate balance of power, and increased accountability and greater capacity of the Board for independent decision making. The Chairman provides support and advice to, and acts as a sounding board for the CEO, while respecting executive responsibility. The CEO takes into relevant consideration the views of the Chairman in decision-making and therefore no one individual has unfettered powers of decision-making.

The Chairman and the CEO of Mermaid are not related to each other. The role of the Chairman includes:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;

- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and management;
- (g) facilitating the effective contributions of Non-Executive Directors; and
- (h) promoting high standards of corporate governance.

The CEO has full executive responsibilities over the business direction and operations of the Group, and is responsible for the execution of the Board's adopted strategies and policies.

The Chairman of the Nomination Committee, Dr. Jan Jozef Skorupa, was appointed to serve as Lead Independent Director effective 26 April 2016. The Lead Independent Director provides leadership in situations where the Chairman is conflicted. The Lead Independent Director is also available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or the management has failed to resolve or is inappropriate.

BOARD MEMBERSHIP

Principle 4

The Nomination Committee comprise at least three (3) Directors, the majority of whom, including the Nomination Committee Chairman, are independent. The Lead Independent Director is also a member of the Nomination Committee.

Process for Selection, Appointment and Re-Appointment of Directors

The Nomination Committee reviews and assesses candidates for directorships before making recommendations to the Board. It also reviews the retirement and re-election of Directors at each Annual General Meeting ("AGM") under Mermaid's Articles of Association and makes recommendations to the Board on the same.

In the selection and nomination for new Directors, the Nomination Committee taps on the Directors' resources to ensure the potential candidates possess relevant experience and have the caliber to contribute to the Company and its business, having regard to the attributes of the existing Board and the requirements of the Company. The potential candidates will go through a shortlisting process and thereafter, interviews with the shortlisted candidates. Executive recruitment agencies may also be appointed to assist in the search process where necessary. Upon recommendation by the Nomination Committee, a replacement Director can be appointed by way of Board resolution but any new Director shall be appointed by shareholder resolution alone. There is no alternate director on the Board.

Newly appointed Directors serve an initial term of three (3) years, after which they are considered for re-nomination for another term. Their re-nominations are subject to the recommendations of the Nomination Committee.

The Company's Articles of Association provide that at each AGM of the Company, one-third (1/3) of the Directors for the time being, or, if their numbers is not three or a multiple of three, then the number nearest to but not less than one-third (1/3) are required to retire from office and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election, failing which they shall be selected by agreement.

New Directors appointed during the year are encouraged, but not mandated, to retire and seek re-election by shareholders at the next AGM after their appointment.

Review of Independence

The Nomination Committee has conducted an annual review of Directors' independence based on the Code's criteria for independence and is of the view that Dr. Jan Jozef Skorupa, Mr. Tang Kee Fei and Mr. Tay Yu-Jin are independent. The Independent Directors are required, from time to time, to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence.

Listed Company Directorships and Principal Commitments

The listed company directorships and principal commitments of each Director as at 31 December 2020 is set out below:

	Other Listed Company Directorships
Mr. Prasert Bunsumpun	TKS Technologies Plc. PTT Global Chemical Plc. SVI Plc. Thaicom Plc. Thoresen Thai Agencies Plc. Intouch Holdings Plc. AIRA Capital Plc. Major Cineplex Group Plc.
Mr. Chalermchai Mahagitsiri	Seven Utilities and Power Plc. PM Thoresen Asia Holdings Plc. Unique Mining Services Plc. Thoresen Thai Agencies Plc. Posco-Thainox Plc. Thai Film Industries Plc.
Dr. Jean Paul Thevenin	PM Thoresen Asia Holdings Plc. Thoresen Thai Agencies Plc.
Mr. Jitender Pal Verma	PM Thoresen Asia Holdings Plc. Thoresen Thai Agencies Plc.
Dr. Jan Jozef Skorupa	None.
Mr. Tang Kee Fei	None.
Mr. Tay Yu-Jin	None.
	Principal Commitments
Mr. Prasert Bunsumpun	None.
Mr. Chalermchai Mahagitsiri	President & CEO, Thoresen Thai Agencies Plc.
Dr. Jean Paul Thevenin	Non-Executive Director, Thoresen Thai Agencies Plc.
Mr. Jitender Pal Verma	Executive Director & Group CFO, Thoresen Thai Agencies Plc.
Dr. Jan Jozef Skorupa	Managing Director, Clesol Co., Ltd.
Mr. Tang Kee Fei	General Manager, Asiatech Energy Pte. Ltd.
Mr. Tay Yu-Jin	Partner, Mayer Brown LLP

The Nomination Committee considers that the other board representations and principal commitments held presently by the Directors do not impede their performance in carrying out their duties to the Company. The Nomination Committee has ascertained that for the period under review, the Directors have devoted sufficient time and attention to the Company's affairs.

BOARD PERFORMANCE

Principle 5

On the initiative of the Nomination Committee and in line with past practice, each Director, on an annual basis, undertakes a self-assessment exercise of the performance of the Board as a whole, of each of its Committees, and of himself/herself taking into relevant consideration the roles and responsibilities of Directors pursuant to the Code and the results of the Company's business operations. The self-assessment exercise is facilitated by the Internal Auditor. The results of the self-assessment exercise are then reported and discussed by the Board and areas for improvement noted by the Board and recorded in the minutes.

Based on the reviews by the Nomination Committee, the Board is of the view that the Board and its Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

Principle 6

The Remuneration Committee has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. The Remuneration Committee recommends the framework for and proposes specific remuneration packages to the Board. The Remuneration Committee considers all aspects of remuneration, including termination terms, to ensure that they are fair. No Director is involved in deciding his or her own remuneration.

The Remuneration Committee comprises at least three (3) Directors. All members of the Remuneration Committee are non-executive Directors, the majority of whom, including the Remuneration Committee Chairman, are independent.

The Remuneration Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises and expenses of such advice shall be borne by the Company. For the financial year ended 31 December 2020, there were no remuneration consultants engaged by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 7

The Group's remuneration policy is to provide remuneration packages which will reward performance and attract, retain and motivate Directors and key executives to run the Group successfully. In setting the remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the same industry and in comparable companies, the Group's and the individual's performance.

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company and prevailing market conditions.

The Non-Executive Directors and Independent Directors do not have service agreements with the Company. They are paid Directors' fees, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the responsibilities, effort and time spent for serving the Board and Board Committees. The Non-Executive Directors and Independent Directors do not receive any other remuneration from the Company. Directors' fees are tabled periodically for shareholders' approval at the AGM.

Pay-for-Performance Alignment

The CEO and other key management personnel's remuneration comprises a base/fixed salary and a variable bonus component. The Company has a bonus scheme to link rewards to corporate and individual performance. Such performance-related compensation is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The performance targets as determined by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives.

The Remuneration Committee considers that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, and that the remuneration to Directors, the CEO and other key management personnel is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the CEO and other key management personnel to successfully manage the Company for the long term.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. In any case, Executive Directors owe a fiduciary duty to the Company. The Company would be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Employee Share Option Plan

The Employee Share Option Plan is administered by the Remuneration Committee. The Employee Share Option Plan is to reward, retain and motivate employees of the Group who excel in their performance and encourages greater dedication, loyalty and higher standards of performance. The Company had in the past actively implemented Employee Share Option Plans. All previous plans have since expired and there are no active Employee Share Option Plans during the financial year ended 31 December 2020. More details of the Employee Share Option Plans are provided in the section on "General Disclosures" of this Annual Report.

DISCLOSURE OF REMUNERATION

Principle 8

The name and remuneration of each person who is/was a Director of the Company during the financial year ended 31 December 2020 is presented in bands.

Given the wage discrepancies within the industry and also across the industries and the competitive pressures that may result from such disclosure, the Board is of the opinion that it is in the best interest of the Company not to disclose the detailed remuneration of each individual director and the CEO to the nearest thousand dollars. The Company has instead disclosed such remuneration in bands and it is the Board's view that such disclosure would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices in relation to its directors and the CEO.

Name	Below SGD 100k	SGD 100k-200k	SGD 200k-300k	SGD 300k-400k	SGD 400k-500k
Mr. Prasert Bunsumpun	●	-	-	-	-
Mr. Chalermchai Mahagitsiri	-	-	-	-	●
Dr. Jean Paul Thevenin	●	-	-	-	-
Mr. Jitender Pal Verma	-	-	-	-	-
Dr. Jan Jozef Skorupa	●	-	-	-	-
Mr. Tang Kee Fei	●	-	-	-	-
Mr. Tay Yu-Jin	●	-	-	-	-

The only Director who receives remuneration as an executive of the Company is Mr. Chalermchai Mahagitsiri in his capacity as Executive Vice Chairman and CEO. As an executive of the Company, Mr. Chalermchai Mahagitsiri did not receive any Director's fees. Mr. Jitender Pal Verma did not receive any Directors' fees or other remuneration from the Company.

In the case of persons who served in the capacity of a Director for any part of a financial period, remuneration calculated for the purposes of the above disclosure is based on a pro-forma assessment of potential full year remuneration (i.e. the remuneration that the Director would have received if he/she had served as a Director for the full financial period). All Directors served for the full financial period ended 31 December 2020.

Breakdown (in percentage terms) of each Director's remuneration earned through [1] Directors' fees, [2] base/fixed salary, [3] variable or performance-related income/bonuses, [4] benefits in kind, and [5] stock options granted and other long-term incentives.

Name	[1]	[2]	[3]	[4]	[5]
Mr. Prasert Bunsumpun	100%	-	-	-	-
Mr. Chalermchai Mahagitsiri	-	100%	-	-	-
Dr. Jean Paul Thevenin	100%	-	-	-	-
Mr. Jitender Pal Verma	-	-	-	-	-
Dr. Jan Jozef Skorupa	78%	-	-	22%	-
Mr. Tang Kee Fei	100%	-	-	-	-
Mr. Tay Yu-Jin	100%	-	-	-	-

The names and remuneration of the key executives (who are not also Directors) in bands of SGD 250,000.

Key Executives	Below SGD 250k	SGD 250k-500k	SGD 500k-750k
Mr. Philippe Jean Paul Grasset	-	●	-
Mr. Paul Burger Whiley	-	-	●
Mr. Mark Leonard Midgley	-	-	●
Dr. Vincent Siaw	●	-	-
Mr. Phiboon Buakhunngamcharoen	●	-	-
Ms. Thanyada Apichotthanachai	●	-	-

For persons who served in the capacity of a key executive (who is not also a Director) for any part of a financial period, remuneration calculated for the purposes of the above disclosure is based on a pro-forma assessment of potential full year remuneration (i.e. the remuneration that the key executive would have received if he/she had served as a key executive for the full financial period).

During the financial year that ended 31 December 2020, not all Key Executives listed above served for the full financial period. Mr. Philippe Jean Paul Grasset's and Mr. Mark Leonard Midgley's term of employment ended on 1 July 2020 and 30 October 2020, respectively. Mr. Paul Burger Whiley's term of employment commenced on 20 August 2020.

Breakdown (in percentage terms) of each key executive's remuneration earned through [1] base/fixed salary, [2] variable or performance-related income/bonuses, [3] benefits in kind, and [4] stock options granted and other long-term incentives.

Key Executives	[1]	[2]	[3]	[4]
Mr. Philippe Jean Paul Grasset	100%	-	-	-
Mr. Paul Burger Whiley	100%	-	-	-
Mr. Mark Leonard Midgley	86%	-	14%	-
Dr. Vincent Siaw	97%	3%	-	-
Mr. Phiboon Buakhunngamcharoen	84%	3%	13%	-
Ms. Thanyada Apichotthanachai	87%	3%	10%	-

The aggregate remuneration paid to the above key management personnel (who are not Directors) for financial year ended 31 December 2020 was SGD 1,933,667.58.

In relation to Provision 8.1(a) of the Code, given the remuneration discrepancies within the industry and also across the industries, and the competitive pressures that may result from such disclosure, the Board is of the opinion that it is in the best interest of the Company not to disclose the detailed remuneration of each individual director and the CEO. The Company has instead disclosed such remuneration in bands of S\$100,000 and it is the Board's view that such disclosure would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices in relation to its directors and the CEO.

In relation to Provision 8.1(b) of the Code, the Company has disclosed the names, amounts and breakdown of remuneration of its top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key executive management personnel.

The Company is of the view that its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation is consistent with the intent of Principle 8 of the Code.

Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds SGD 100k during the year.

Not applicable. There are no employees who are immediate family members of a Director, the CEO or a substantial shareholder of the Company for the financial year ended 31 December 2020.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders. All material decisions of the Board take into relevant consideration the nature and extent of risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Internal Audit Department is independent of management and has a direct and primary reporting line to the Chairman of the Audit Committee. The Internal Audit Director assists the Audit Committee in the discharge of its duties and responsibilities by being responsible for all regulatory compliances, internal audits, corporate governance matters, and risk management systems of the Company. The Company Secretary assists in overseeing compliances with all law and regulations concerning public companies.

In line with the commitment of a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto, the Company has a Code of Business Conduct applicable to Company personnel covering a wide range of business practices and procedures. This includes, but is not limited to, compliance with laws, rules and regulations, conflicts of interests, insider trading, corporate opportunities, competition and fair dealing, discrimination and harassment, health and safety, environmental matters, record-keeping, financial controls and disclosures, confidentiality, protection and proper use of company assets, financial reporting and compliance.

The Company also has a Share-Dealing and Inside Information Policy to ensure proper access and use of Company information. The said policy sets out a prohibition on dealing in Company shares on short term considerations, prohibition on dealing in Company shares prior to release of financial results, prohibition on dealing in Company shares when in possession of inside information, prohibition on giving advice in respect of dealing in Company shares using inside information, and general obligations to observe confidentiality.

The Audit Committee has been working with the Internal Audit Department to continuously improve Mermaid's internal control systems and provides progress reports to the Board on a quarterly basis.

The Company has also set in place a Whistleblowing Policy, providing an avenue for its employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. The Whistleblowing Policy has the objective of encouraging employees to raise legitimate concerns, in confidence, about possible irregularities.

The Risk Management Committee oversees risk management standards, practices, and systems. The Risk Management Committee periodically reviews the effectiveness of the Enterprise Risk Management system within the Group and evaluates the adequacy and effectiveness of administrative, operating, and accounting controls used by the Group.

Assurance Statements

The Board has received assurances from the CEO and the Chief Financial Officer that the Company's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances as at 31 December 2020.

The Board has also received assurances from the CEO and Chief Financial Officer that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020 to address the risks that the Company considers relevant and material to its operations.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and the assurances from the CEO, the Chief Financial Officer, and relevant management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020 to address the risks that the Company considers relevant and material to its operations.

The systems of risk management and internal controls of the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or against poor judgement in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10

The Audit Committee comprises at least three (3) Directors, all of whom are non-executive and the majority of whom, including the Audit Committee Chairman, are independent. At least two (2) members, including the Audit Committee Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee carried out its functions as stated in the Audit Committee's scope of responsibilities as set out in Principle 1 above. The Audit Committee meets with the external and internal auditors, in each case, without the presence of management, on a quarterly basis.

As at 31 December 2020, the Audit Committee held four (4) meetings. The management of Mermaid, including the CEO, Chief Financial Officer and other relevant management also participated in those meetings when invited. Mermaid's external auditors from KPMG Phoomchai Audit Limited also participated in the meetings to review Mermaid's financial statements and reports with the Audit Committee and relevant management during the financial year. Mermaid's internal auditor attended the meetings to review the internal audit activities and results with the Audit Committee during the financial year. The meeting agenda and minutes were prepared.

Apart from the above functions, the Audit Committee shall commission and review the findings of internal investigations and/or review and discuss with the external auditors any matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any applicable law, rule or regulation, which has or is likely to have a material impact on operating results and/or financial position of the Company. The Audit Committee shall also ensure that the appropriate follow-up actions are taken. In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he shall abstain from reviewing that particular transaction or voting on that particular resolution.

The Audit Committee is chaired by a chartered management accountant with relevant qualifications and experience. The Audit Committee keeps itself apprised of changes in accounting policies and guidelines through scheduled regular updates with the internal auditor and external auditor.

The Audit Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as there have been any financial interest in the auditing firm or auditing corporation.

The Company performs its own internal audit. The primary reporting line of the Internal Audit Department is the Audit Committee, which also decides on the appointment, termination and remuneration of the head of the Internal Audit Department. The Internal Audit Department has unfettered access to all the Company's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Company. The Internal Audit Department is staffed with persons with the relevant qualifications and experience. The Audit Committee is of the view that the head of the Internal Audit Department has the relevant experience and qualifications to perform the role.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. The internal audit activities are governed itself by adherence to The Institute of Internal Auditors ("IIA") mandatory guidance.

The internal audit reports for non-compliance and internal control weaknesses which include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations are reported to the Audit Committee through periodic activity reports.

To ensure the adequacy and effectiveness of the internal audit function, the Audit Committee reviews the Internal Auditor's scope of work at least annually. Based on the reviews, the Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11

Mermaid is committed to delivering high standards of corporate disclosure and transparency in its communications with shareholders, analysts and other stakeholders. Mermaid provides regularly relevant information regarding its strategy, performance and prospects to aid shareholders and investors in their investment decisions.

The Company continues the disclosure obligations pursuant to the SGX-ST Listing Manual to provide the adequate and timely information of all major developments to the shareholders. The Company provides information to the shareholders through various channels including, but not limited to, SGXNet, Annual Reports, Notice of AGMs and its corporate website.

The Company is committed to strengthening its relationship with the investment community and believes in timely and consistent disclosure of pertinent information to enable a transparent assessment of the Company's value. The Company values dialogue with shareholders, and holds analyst briefings following announcement of its financial results.

The Company's website is an important source of information for shareholders and the investment community. Quarterly results announcements, news releases, presentation slides, annual reports and other key facts and figures about the Company are available on the corporate website at www.mermaid-group.com.

Shareholder Meetings

At the general meeting, the shareholders have the opportunity to participate and vote on the resolutions. A notice, agenda, voting procedures and papers are sent to the shareholders as well as released on SGXNet prior to the meetings. Proxy can be given by the shareholders to attend the meetings.

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with all shareholders. All shareholders will receive the notice of AGM, which is also advertised on the newspapers and issued via SGXNet. The Board welcomes questions and comments relating to the Group's business or performance from shareholders at AGMs. Shareholders are given the opportunity to air their views and direct questions to the Board on matters affecting the Group.

The Company does not practise bundling of resolutions at general meetings. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company expects all Directors, including the Chairman of the Board Committees, and senior management, to be present at all general meetings to address shareholders' queries. External auditors will also be present at such meeting to assist the Directors to address any relevant queries from the shareholders, if necessary. At AGM No. 01/2020 held on 29 April 2020, all Directors were in attendance, either in person or via teleconference.

The Company has implemented the system of voting by poll at its general meetings. Results of each resolution put to vote at the general meetings are announced with details of percentage in favour and against. Shareholders are allowed to appoint a proxy to attend and vote in his/her stead.

The Company prepares minutes of all general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. These minutes are available to shareholders upon their request. They are also presented at the subsequent general meeting of shareholders for adoption.

Dividends

On 28 February 2020, due to the consolidated net losses of the Company and in order to preserve financial resources to support a potential business turnaround, among other things, the Board of Directors proposed that no dividends shall be declared to the shareholders for the financial year ended 31 December 2019. Subsequently, at AGM No. 01/2020 dated 29 April 2020, the shareholders present had unanimously approved that no dividends be declared to the shareholders for the financial year ended 31 December 2019.

The Company does not have a dividend policy. However, it adopts a guideline that, subject to other factors that the Board considers appropriate based on the financial status and business outlook of the Company, at least 25 percent of the Company's consolidated annual net profits should be distributed as dividends to its shareholders.

COMMUNICATION WITH SHAREHOLDERS

Principle 12

The Company publishes on a quarterly basis through SGXNet an analyst presentation accompanying the financial statements summarizing financial and business highlights for that quarter. The Company has an Investor Relations Department that remains accessible to handle queries from shareholders and the general public and is the contact point to accommodate exchange of views. The Investor Relations Department can be contacted at +662- 255-3115 or at ir@mermaid-group.com whereby shareholders can approach the Company with questions or other queries and through which the Company may respond.

To provide equal participation opportunity for all shareholders, each year the Company organizes a Shareholders Forum in Singapore. At this event, the shareholders (including the Depositors), particularly those based in Singapore, would be given the opportunity to meet with Board members and key executives of the Company. At each Shareholders Forum, the Company delivers a presentation to update shareholders on Mermaid's progress over the past year and provide adequate time to shareholders to address queries and concerns about Mermaid. Due to the novel coronavirus disease 2019 ("Covid-19") pandemic, the Company did not organize Shareholders Forum in Singapore in 2020.

On 31 July 2013, Rule 730A and Practice Note 7.5 of the Listing Manual of the SGX-ST was introduced. Rule 730A(1) and Practice Note 7.5 require (unless exempted by the Singapore Exchange) an issuer with a primary listing on the Singapore Exchange to hold its general meeting of shareholders in Singapore unless there are legal constraints preventing them from doing so, and such issuer should provide alternative modes of engagement such as webcast and information meetings so that public shareholders have access to the board and senior management.

On 23 May 2014, Mermaid announced that it had consulted with Singapore Exchange on this matter, and the Singapore Exchange advised that Rule 730A(1) of the Listing Manual is not applicable to Mermaid. Consequently, Mermaid will continue to hold its general meetings in Thailand in compliance with the Company's Articles of Association and the Thai Public Limited Companies Act B.E. 2535 (A.D.1992). For the purpose of paragraph 2.4 of Practice Note 7.5, the Singapore Exchange also advised that it has no objection to Mermaid not providing video conference and webcast facility to enable Singapore-based shareholders to follow the proceedings during its shareholder meetings in view of the legal impediments under Thai law.

Meetings via Electronic Media

The Thailand National Council for Peace and Order announcement issued on 27 June 2014 and the Clarification of the Department of Business Development (“DBD”) dated 23 September B.E. 2559 (A.D. 2016) broadly stated that conducting meetings via electronic media as well as the registration of resolutions passed at electronic meetings of directors and shareholders of both private and public limited companies are now allowed. However, public limited companies shall be required to amend their Articles of Association if they wish to conduct their meetings via electronic media.

In order for such meetings via electronic media to be valid, one-third of the meeting quorum must be physically present at the same place where the meeting is held, and all meeting attendees, including those who attend via electronic means, must be in Thailand while the meeting is conducted.

As soon as the applicable Thai laws and regulations allow for the participants to attend the meetings via electronic media without their physical presence in Thailand, the Company shall start the process to amend its Articles of Association to allow for the conduct of Board and shareholders meetings via telephonic and video-conferences in accordance with, and subject to any limitations imposed by, applicable laws and regulations in Thailand.

Later on 18 April 2020, there was the announcement of the Emergency Decree re: Electronic Meetings B.E. 2563 (2020) (“Emergency Decree”) which was published in the Government Gazette with the effect from 10 April 2020 onwards and superseded the earlier the Announcement of the National Council for Peace and Order on the same subject matter. The Emergency Decree stated that “electronic meeting” means a meeting required to be held by law and has been conducted through electronic means, in respected of which the attendees are not present at the same place and consultation, discussion and expression of opinions among them are enabled through electronic means. Therefore, the company and public limited companies no longer be required to amend their Article of Association.

Mermaid’s subsidiaries incorporated in Thailand, being private limited companies, are now able to conduct Board and shareholder meetings via telephonic and video-conferences pursuant to applicable laws and regulations in Thailand. There is no need to amend their Articles of Associations beforehand as this prerequisite only applies to public limited companies in Thailand.

Mermaid’s subsidiaries incorporated in jurisdictions outside Thailand are also able to conduct Board and shareholder meetings via telephonic and video conferences, to the extent permissible by applicable laws and regulations in such jurisdictions.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company regularly engages with its material stakeholder groups to manage its relationships with such groups. These material stakeholder groups comprise key customers, key suppliers, substantial shareholders, financial institutions, quality, health, safety and environmental organizations, and the local communities. The Company maintains a corporate website at www.mermaid-group.com as the first interface of information and communication with its stakeholders.

Sustainability Reporting

The Company acknowledges that the interaction with the communities in which the Company operates and its environmental and social interactions within such communities affect long-term organizational success. The Board takes into relevant consideration environmental and social aspects in its decision-making processes alongside financial and governance aspects that are part of its customary and regulatory practice.

The Company has adopted a formal policy on sustainable reporting and reports on its environmental, social and governance (“ESG”) information on an annual basis. For more information, please see the “Sustainability Report” section of this Annual Report.

GENERAL DISCLOSURES

1. SHAREHOLDER BASE AND VOTING RIGHTS

As at 31 December 2020, the statistics of shareholdings of Mermaid Maritime Public Company Limited (“Mermaid” or “Company”) are as follows:

Number of Authorised Shares	1,416,700,697
Number of Issued Shares	1,413,328,857
Issued and Fully Paid Up Capital Thai Baht	1,413,328,857
Treasury Shares	None
Number of Shareholders	Number of Shareholders
Class of Shares and Voting Rights	Ordinary shares with equal voting rights

In accordance with Rule 730A(2) of the SGX-ST Listing Manual, Mermaid conducts all voting of resolutions at its shareholders’ meetings by poll which is defined as a method of voting under which shareholders are given one vote for each share held.

Pursuant to the Thai Public Companies Act B.E. 2535 (A.D. 1992), in a shareholders’ meeting, voting must be by a show of hands, unless at least five (5) shareholders request for a secret ballot.

A resolution can be adopted at a general meeting of shareholders by a simple majority of the total number of votes cast of the shareholders who attend the meeting, except in the following matters which require at least three-fourths (3/4) of the total number of voting rights of all of the shareholders who attend the meeting and have the right to vote:

- the sale or transfer of all or a substantial part of Mermaid’s business to any other person or the purchase by Mermaid or acceptance of transfer of the businesses of other companies to Mermaid;
- the making, amendment or termination of contracts relating to the leasing out of all or a substantial part of Mermaid’s business, the assignment to any other person to manage Mermaid’s business or the consolidation of Mermaid with other persons with an objective towards profit and loss sharing; and
- the increase or reduction of registered capital, issuance of bonds for offer to the public, amalgamation with another company, dissolution or the amendment to the Memorandum of Association or Articles of Association of Mermaid.

To remove a Director before his/her term requires a resolution of a general meeting of shareholders of not less than three-fourths (3/4) of the number of shareholders who attend the meeting, who have the right to vote, and hold shares in aggregate of not less than half (1/2) of the total number of shares held by shareholders attending the meeting and entitled to vote.

In addition, to fix the remuneration of Directors requires a resolution of a general meeting of shareholders of not less than two-thirds of all votes presented.

2. DISTRIBUTION OF SHAREHOLDINGS

As at 31 December 2020, the distribution of ordinary shares amongst all shareholders was as follows:

No. of Shares	No. of Shareholders	%	Number of Shares	%
1 - 99	201	4.52	2,704	0.01
100 - 1,000	199	4.48	160,320	0.01
1,001 - 10,000	1,495	33.63	9,810,400	0.70
10,001 - 1,000,000	2,517	56.63	195,541,159	13.83
1,000,001 and above	33	0.74	1,207,814,274	85.45
Total	4,445	100.00	1,413,328,857	100.00

3. DETAILS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2020, the names of substantial shareholders and a breakdown of their direct and deemed interests as recorded in Mermaid's register of substantial shareholders were as follows:

Name	Direct	Deemed	Total
Thoresen Thai Agencies Public Company Limited ("TTA") (see Note 1)	700,000,000 (49.53%)	122,908,013 (8.69%)	822,908,013 (58.22%)
Soleado Holdings Pte. Ltd. ("Soleado")	102,509,593 (7.25%)	-	102,509,593 (7.25%)
Mr. Chalermchai Mahagitsiri (see Note 2)	150,461,660 (10.65%)	822,908,013 (58.22%)	973,369,673 (68.87%)
Mr. Prayudh Mahagitsiri (see Note 3)	55,081,582 (3.90%)	63,588,647 (4.50%)	118,670,229 (8.40%)

Note 1: TTA's deemed interest arises from the shares in the Company held by its wholly owned subsidiaries Soleado and Athene Holdings Ltd. ("Athene"). Athene is the registered holder of 20,398,420 ordinary shares (1.44%) in the Company.

Note 2: Mr. Chalermchai Mahagitsiri was the registered holder of 251,876,559 ordinary shares (13.82%) in TTA and 150,000,000 ordinary shares (8.23%) were also registered under his custodian account in TTA. His associates are Ms. Ausana Mahagitsiri who is a registered holder of 79,879,037 ordinary shares (4.38%) in TTA, Ms. Suvimol Mahagitsiri who is the registered holder of 7,771,823 ordinary shares (0.43%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 6,475,758 ordinary shares (0.36%) in TTA. The combined interest of Mr. Chalermchai Mahagitsiri and his three above mentioned associates in TTA is therefore 496,003,177 ordinary shares (27.22%). Accordingly, Mr. Chalermchai Mahagitsiri has a deemed interest in the 700,000,000 shares, 102,509,593 shares and 20,398,420 shares held in aggregate by TTA, Soleado and Athene in the Company, respectively.

Note 3: Mr. Prayudh Mahagitsiri has a deemed interest in the 63,588,647 shares held by Ms. Ausana Mahagitsiri by virtue of Section 4 of the Securities and Futures Act.

4. TOP 20 LARGEST SHAREHOLDERS

As at 31 December 2020, the twenty (20) largest holders of ordinary shares and the number of shares held by such shareholders in Mermaid on record with the share registry as registered with the Thai Ministry of Commerce together with depositors whose security accounts with Central Depository (Pte.) Ltd. hold shares of Mermaid were as follows:

No.	Name	Shares	%	Culm. %
1.	THORESEN THAI AGENCIES PLC.	700,000,000	49.53	49.53
2.	RAFFLES NOMINEES(PTE) LTD.	142,762,914	10.10	59.63
3.	SOLEADO HOLDINGS PTE. LTD.	86,747,393	6.14	65.77
4.	CITIBANK NOMS SPORE PTE. LTD.	82,079,961	5.81	71.58
5.	DBS NOMINEES PTE. LTD.	66,601,597	4.71	76.29
6.	ATHENE HOLDINGS LTD.	20,398,420	1.44	77.73
7.	DBS VICKERS SECURITIES (S) PTE. LTD.	14,970,946	1.06	78.79
8.	UOB KAY HIAN PTE. LTD.	12,495,900	0.88	79.67
9.	OCBC SECURITIES PRIVATE LTD.	11,919,058	0.84	80.51
10.	BNP PARIBAS NOMS SPORE PTE. LTD.	9,566,200	0.68	81.19
11.	PHILLIP SECURITIES PTE. LTD.	5,623,102	0.40	81.59
12.	ANG AH LEK @AN AH LEK	5,500,000	0.39	81.98
13.	IFAST FINANCIAL PTE. LTD.	5,133,000	0.36	82.34
14.	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,830,200	0.34	82.68
15.	LIM AND TAN SECURITIES PTE. LTD.	3,970,300	0.28	82.96
16.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,430,456	0.24	83.20
17.	LEE GEOK HWA	3,363,500	0.24	83.44
18.	LEW WING KIT	2,943,900	0.21	83.65
19.	TAN TIAN SIM	2,924,800	0.21	83.86
20.	UNITED OVERSEAS BANK NOMINEES P L	2,399,300	0.17	84.03

5. MERMAID SHARES HELD BY DIRECTORS

As at 31 December 2020, the direct and deemed interests of each Director of Mermaid in Mermaid's ordinary shares and its percentage of issued share capital were as follows:

Name	Direct	%	Deemed	%
Mr. Prasert Bunsumpun	None	n/a	None	n/a
Mr. Chalermchai Mahagitsiri	150,461,660	10.65	822,908,013	58.22
Mr. Tang Kee Fei	None	n/a	None	n/a
Mr. Tay Yu-Jin	None	n/a	None	n/a
Mr. Jitender Pal Verma	None	n/a	None	n/a
Dr. Jean Paul Thevenin	None	n/a	None	n/a
Dr. Jan Jozef Skorupa	80,000	0.0057	None	n/a

Pursuant to Rule 1207(7) of the SGX-ST Listing Manual, the direct and deemed interest of each Director of Mermaid in Mermaid's ordinary shares as at the 21st day after the end of the financial year i.e. 21 January 2021 is also as set out above. The Company has no convertible securities.

6. SHAREHOLDING HELD BY PUBLIC

As at 31 December 2020, the percentage of ordinary shares held in the hand of the public was 22.73%. This is in compliance with Rule 723 of the SGX-ST Listing Manual which requires that more than 10.00% of ordinary shares in Mermaid to be at all times held by the public.

7. TREASURY SHARES

Mermaid has no treasury shares.

8. MATERIAL CONTRACTS INVOLVING INTERESTED PERSONS

There were no material contracts of Mermaid or its subsidiaries involving the interests of the Mermaid's Chief Executive Officer, each Director of Mermaid, or any of the controlling shareholders of Mermaid, entered into during the financial year ended 31 December 2020 or still subsisting as at 31 December 2020.

9. DEALINGS IN SECURITIES

Based on best practice recommendations in Rule 1207(19) of the SGX-ST Listing Manual, Mermaid introduced a Code of Business Conduct that, among other things, prohibits its officers from using or sharing non-public information for trading purposes in the securities of Mermaid, or for any non-business purpose. Such prohibition should also have the effect of deterring such persons from trading in Mermaid's securities on short-term considerations.

Mermaid also introduced a specific Share Dealing and Inside Information Protection Policy which addresses dealings in securities in greater detail. The said policy sets out a prohibition on dealing in Company shares on short term considerations, prohibition on dealing in Company shares prior to release of financial results, prohibition on dealing in Company shares when in possession of inside information, prohibition on giving advice in respect of dealing in Company shares using inside information and general obligations to observe confidentiality.

Before announcement of financial results, Mermaid also has an internal system of sending prior notification to all its Directors and those other officers of Mermaid who have access to price-sensitive financial information reminding them not to deal in securities of Mermaid during each period commencing two (2) weeks before the announcement of Mermaid's financial statements for each of the first three quarters of the financial year, and one (1) month before announcement of Mermaid's full financial year statements, ending on the date of announcement of the relevant results.

10. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2020, there were no material discrepancies between the preliminary final results and the audited accounts in this Annual Report for the following: (a) Statement of Comprehensive Income; (b) Statement of Financial Position; and (c) Statement of Cash Flows.

Audit fee paid to KPMG Phoomchai Audit Ltd. (“KPMG”) and its relevant affiliated audit entities for audit of the Company and its relevant subsidiaries during the financial year ended 31 December 2020 amounted to US Dollars 204,477 (two hundred four thousand four hundred and seventy seven United States Dollars).

Non-audit fee paid to KPMG and its relevant affiliated audit entities during the financial year ended 31 December 2020 amounted to US Dollars 20,445 (twenty thousand four hundred and forty five United States Dollars). This was for work related to tax advice and tax filing. The Audit Committee had reviewed these transactions and was of the opinion that these transactions did not affect the independence of KPMG conducting the audit of the Company and its relevant subsidiaries and did not affect the independence of their audit signatory’s review and certification of the Company’s separate financial statements and the Company and its subsidiaries’ consolidated financial statements for the financial year ended 31 December 2020.

	Group	
	2020	2019
	USD	USD
Audit fees:		
- Auditors of the Company	204,477	222,277
- Other auditors	16,045	14,080
Non-audit fees:		
- Auditors of the Company	20,445	46,547
- Other auditors	59,956	60,105
Total audit and non-audit fees	300,923	343,009

11. APPOINTMENT OF AUDITOR

Auditors from KPMG were reappointed by a resolution of the Company’s shareholders on 29 April 2020 to audit the Company’s separate financial statements and the Company and its subsidiaries’ consolidated financial statements for the financial year ended 31 December 2020.

The following names are audit partners whom were appointed to engage in the audit of the consolidated and separate Company financial statements for the financial year ended 31 December 2020:

1. Mr. Veerachai Ratanajaratkul CPA License No. 4323
2. Ms. Siripen Sukcharoenyingyong CPA License No. 3636
3. Mr. Watchara Pattarapitak CPA License No. 6669
4. Mr. Piyanat Singkhorn CPA License No. 11641

Ms. Siripen Sukcharoenyingyong was the audit partner in charge of auditing and expressed her opinion on the consolidated and separate Company financial statements for the financial year ended 31 December 2020. This is the first year that she audited and expressed her opinion on the said consolidated and separate Company financial statements.

KPMG and its relevant affiliated audit entities was appointed to audit all of the Company’s significant subsidiaries for the financial year ended 31 December 2020 except for Singapore-based subsidiaries, which was audited by Thong & Lim, certified public accountants based in Singapore. Mermaid’s Board and Audit Committee were satisfied that the appointment of Thong & Lim as auditor of the said subsidiaries did not compromise the standards and effectiveness of the audit of Mermaid on a consolidated basis.

For the purposes of the preceding paragraph, an entity is significant if its net tangible assets represent 20% or more of the Company's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the Company's consolidated pre-tax profits.

In appointing the auditing firms for the Company, subsidiaries and significant associated companies, Mermaid has complied with Rule 712 and Rule 715 or 716 of the SGX-ST Listing Manual.

12. INTERESTED PERSON TRANSACTIONS

Mermaid has no interested person transactions for the financial year ended 31 December 2020 pursuant to Rule 907 of the SGX-ST Listing Manual.

13. USE OF RIGHTS ISSUE AND PRIVATE PLACEMENT PROCEEDS

In 2013, Mermaid conducted a Rights Issue and Private Placement of its shares. Mermaid's total proceeds received from the Rights Issue of its shares was US Dollars 126.37 million after deduction of issuing costs. Mermaid's total proceeds received from the Private Placement of its shares was US Dollars 12.78 million after deduction of issuing costs. The total accumulative proceeds received from the said Rights Issue and Private Placement of its shares in 2013 was therefore USD 139.15 million.

The total actual accumulative uses of Rights Issue and Private Placement proceeds as at 31 December 2020 was US Dollars 105.34 million, or 75.71% of the Rights Issue and Private Placement proceeds and is summarized as follows:

No.	Description	USD (Million)
1.	The repayment of short-term loans which was taken up for the subscription of additional shares in Asia Offshore Drilling Ltd.	35.00
2.	The deposit and related payment for the construction and purchase of two tender assist drilling rigs and one subsea dive support and construction vessel	70.34
Total		105.34
Balance of Net Proceeds		33.81

The use of proceeds is in accordance with the Company's intended use as stated in the circular. Of the USD 33.81 million balance of net proceeds, USD 12.2 million of have been deployed into interim treasury investments and the balance retained as cash in hand.

14. DIFFERENCE IN REGISTERED CAPITAL AND ISSUED AND PAID-UP CAPITAL

As at 31 December 2020, the registered capital of Mermaid was Baht 1,416,700,697. This is represented by 1,416,700,697 ordinary shares with a par value of Baht 1 each. The issued and paid-up capital was Baht 1,413,328,857 represented by 1,413,328,857 ordinary shares with a par value of Baht 1 each.

The difference between the Company's registered capital and issued and paid-up capital is therefore Baht 3,371,840 ordinary shares with a par value of Baht 1 each. These registered but unissued ordinary shares were reserved for the allocation and exercise of share options under the Company's Employee Share Option Plans ("ESOPs"). As at 31 December 2020, all share options under the Company's ESOPs have expired. The balance of 3,371,840 registered but unissued ordinary shares cannot be applied for any other purpose and shall therefore remain unallocated.

15. RETIREMENT SCHEDULE OF DIRECTORS

The table below sets out the retirement dates of the Directors, pursuant to the Articles of Association of the Company.

No.	Name of Directors	First Appointed	Last Appointed	Expiry Date
1.	Mr. Tang Kee Fei	25 Apr 2017	29 Apr 2020	AGM 2023
2.	Mr. Chalermchai Mahagitsiri	19 Jun 2012	29 Apr 2020	AGM 2022
3.	Mr. Jitender Pal Verma	28 Oct 2016	29 Apr 2020	AGM 2022
4.	Dr. Jan Jozef Skorupa	21 Oct 2013	24 Apr 2018	AGM 2021
5.	Mr. Prasert Bunsumpun	19 Jun 2012	23 Apr 2019	AGM 2021
6.	Dr. Jean Paul Thevenin	28 Jan 2013	23 Apr 2019	AGM 2021
7.	Mr. Tay Yu-Jin	26 Apr 2016	23 Apr 2019	AGM 2022

16. DETAILS OF EMPLOYEE SHARE OPTION PLANS

Mermaid recognises that the contributions and continued dedication of its executives and employees are significant to its future growth and development. The employee share option plans (“ESOPs”) were offered by Mermaid to advance the best interests of the Group by providing employees of the Group (including Executive Directors and non-Executive Directors) with additional incentives through the grant of options (“Options”) based on the performance of the Group.

The ESOPs are share incentive plans the implementation of which enabled Mermaid to recognise the contributions made by the participants by introducing a variable component into their remuneration package in the form of Options. The ESOPs also provided an opportunity for each participant to participate in the equity of Mermaid and will provide a further incentive for the participants to strive for greater long-term growth and profitability for the Group. Mermaid believes the ESOPs help to attract, motivate and retain key executives and reward them for achievement of pre-determined targets which create and enhance economic value for the shareholders.

Mermaid’s first ESOP was approved by Mermaid’s shareholders on 11 July 2007 (“ESOP 2008”). Allocation of Options pursuant to ESOP 2008 was made on 20 November 2008 and all remaining Options expired on 20 November 2013.

Mermaid’s second employee share option plan was approved by Mermaid’s shareholders on 29 January 2009 (“ESOP 2009”). Allocation of Options pursuant to ESOP 2009 was made on 16 November 2009 and all remaining Options expired on 16 November 2014.

Mermaid’s third employee share option plan was approved by Mermaid’s shareholders on 28 January 2010 (“ESOP 2010”). Allocation of Options pursuant to ESOP 2010 was made on 1 December 2010 and all remaining Options expired on 1 December 2015.

Mermaid’s fourth employee share option plan was approved by the Mermaid’s shareholders on 25 January 2011 (“ESOP 2011”). Allocation of Options pursuant to ESOP 2011 was made on 15 December 2011 and all remaining Options expired on 15 December 2016.

Details of ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011 have been disclosed in previous Annual Reports. Subsequent to these plans, there has been no additional ESOPs proposed and none remain active to date.

17. LAND, BUILDINGS AND KEY MOVABLE ASSETS

As at 31 December 2020, land and buildings owned by Mermaid were as follows:

No.	Description	Location	Calendar Year	Million USD		Ownership
			Purchase Year	Cost	Net Book Value	
1.	Land	Pinthong Industrial Estate, Chonburi, Thailand	2003	0.59	0.59	Freehold
2.	Land	Laem Chabang, Chonburi, Thailand	2001	0.25	0.25	Freehold
3.	Buildings	Built on land at no. (1) above	2005	4.51	0.84	On freehold land

The land and buildings at (1) and (3) were used as offices and mortgaged to secure short-term facilities with financial institutions while the land at (2) remained vacant land and held for investment purposes.

As at 31 December 2020, Mermaid's key movable assets were seven (6) vessels owned by its subsidiaries and affiliates as follows:

No.	Name of Vessels/Rigs	Calendar Year		Million USD	
		Build Year	Purchase Year	Cost	Net Book Value
1.	Mermaid Endurer	2010	2010	105.86	55.18
2.	Mermaid Asiana	2010	2010	92.98	54.31
3.	Mermaid Sapphire	2009	2009	37.52	20.90
4.	Mermaid Challenger	2008	2008	19.83	0.50
5.	Mermaid Siam	2002	2010	34.47	0.43
6.	Mermaid Commander	1987	2005	36.57	2.15

The net book values presented in the table above represent post-asset impairment values for such assets for the financial year ended 31 December 2020.

'Mermaid Endurer', 'Mermaid Asiana', 'Mermaid Sapphire', 'Mermaid Challenger', 'Mermaid Siam' and 'Mermaid Commander' are owned by Mermaid Subsea Services (Thailand) Ltd.

18. DIRECTORS' AND EXECUTIVE OFFICERS' FORM OF UNDERTAKING

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company is required to procure undertakings from all of its Directors and Executive Officers to, among other things, comply with the listing rules of the SGX-ST. Such undertaking shall be in a form prescribed by the SGX-ST.

As at 31 December 2020, the Company remains in compliance with this requirement and shall continue to comply with this requirement on a continuing basis.

19. MINIMUM TRADING PRICE COMPLIANCE

Pursuant to Rule 1311(2) of the SGX-ST Listing Manual, in the case the Company records a volume weighted average share price (“VWAP”) of less than SGD 0.20 and an average daily market capitalization of less than SGD 40 million over the last six (6) months, the SGX-ST shall place the Company on the watch-list.

As at 31 December 2020, the Company’s share price closed at SGD 0.071 and its market capitalization is SGD 100.35 million. The Company has also not experienced an average daily market capitalization of less than SGD 40 million over the last six (6) months. Therefore, Company is in compliant with this Minimum Trading Price (“MTP”) requirement.

20. ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following Directors shall be seeking re-election at the next Annual General Meeting of Shareholders No. 01/2021 of the Company: Mr. Prasert Bunsumpun, Dr. Jean Paul Thevenin and Dr. Jan Jozef Skorupa.

In compliance with Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual, the following additional information of these Directors seeking re-election are as follows:

(a) MR. PRASERT BUNSUMPUN

Date of appointment	19 June 2012
Date of last re-appointment (if applicable)	23 April 2019
Age	68
Country of principal residence	Thailand
The Board’s comments on this appointment on this re-election/ appointment	After reviewing the recommendation of the Nomination Committee and Mr. Bunsumpun’s qualifications and experience (as set out below), the Board has approved that he stands for re-election as Non-Executive Chairman. Mr. Bunsumpun will, upon re-election, continue to serve as a Chairman of the Executive Committee.
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Chairman of the Board of Directors Chairman of the Executive Committee
Professional qualifications	M.B.A., Utah State University, USA, 1978 B.Eng. in Civil Engineering, Chulalongkorn University, 1975
Working experience and occupation(s) during the past 10 years	2014-2019 Member of the National Legislative Assembly, Thailand 2014-2019 First Vice-President of the Committee on Energy, the National Legislative Assembly, Thailand
Shareholding interest in the listed issuer and its subsidiaries	None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries)	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments (as defined in the Code) including directorships for the past 5 years	<p>Other Principal Commitments: None</p> <p>Other Directorships: Nok Airlines Pcl. PTT Plc. PTT Global Chemical Plc.</p>
Other principal commitments (as defined in the Code) including directorships at present	<p>Other Principal Commitments: None</p> <p>Other Directorships: Major Cineplex Group Plc. AIRA Capital Plc. T.K.S. Technologies Pcl. SVI Plc. Thaicom Plc. Thoresen Thai Agencies Plc. Intouch Holdings Plc. Yuanta Securities (Thailand) Co. Ltd. AIRA Property Plc. Thailand Business Council for Sustainable Development</p>

(b) DR. JEAN PAUL THEVENIN

Date of appointment	28 January 2013
Date of last re-appointment (if applicable)	23 Apr 2019
Age	80
Country of principal residence	Thailand
The Board's comments on this appointment on this re-election/appointment	<p>After reviewing the recommendation of the Nomination Committee and Dr. Thevenin's qualifications and experience (as set out below), the Board has approved that he stands for re-election as a Non-Executive and Non-Independent Director.</p> <p>Dr. Thevenin will, upon re-election, continue to serve as Chairman of the Risk Management Committee and a member of the Executive Committee and Audit Committee and the Nomination Committee and the Remuneration Committee.</p>
Whether the appointment is executive, and if so, the area of responsibility	Non-executive

Job Title	Chairman of the Risk Management Committee Member of the Executive Committee Member of the Audit Committee Member of the Nomination Committee Member of the Remuneration Committee
Professional qualifications	Ph.D. in Metallurgy, Orsay University, France Honorary Ph.D., King Mongkut Institute of Technology, Thailand
Working experience and occupation(s) during the past 10 years	None
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries)	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments (as defined in the Code) including directorships for the past 5 years	Other Principal Commitments: None Other Directorships: PMT Property Co., Ltd.
Other principal commitments (as defined in the Code) including directorships at present	Other Principal Commitments: None Other Directorships: PM Thoresen Asia Holdings Plc. Thoresen Thai Agencies Plc. Asia Infrastructure Management (Thailand) Co., Ltd. PTGC Co., Ltd. PT Mermaid Subsea Services Indonesia Mermaid Subsea Services Saudi Arabia Co., Ltd. Petrolift Inc. TTA Mariner Co., Ltd. Thoresen & Company (Bangkok) Limited Mermaid Subsea Services (International) Ltd. Thoresen Shipping Singapore Pte. Ltd. Mermaid Offshore Services Pte. Ltd. Mermaid Subsea Services (Thailand) Ltd. Mermaid Drilling Ltd. MTR-1 Ltd. MTR-2 Ltd.

(c) DR. JAN JOZEF SKORUPA

Date of appointment	21 October 2013
Date of last re-appointment (if applicable)	23 April 2019
Age	73
Country of principal residence	Thailand
The Board's comments on this appointment on this re-election/ appointment	<p>After reviewing the recommendation of the Nomination Committee and Mr. Skorupa's qualifications and experience (as set out below), the Board has approved that he stands for re-election as a Non-Executive and Independent Director.</p> <p>Mr. Skorupa will, upon re-election, continue to serve as a chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee.</p>
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	<p>Non-Executive and Independent Director</p> <p>Chairman of the Nomination Committee</p> <p>Member of the Audit Committee</p> <p>Member of the Remuneration Committee</p>
Professional qualifications	<p>Ph.D., University of Cape Town in South Asia</p> <p>Master Degree in Mining Engineering, Polytechnic University of Silesia in Poland</p>
Working experience and occupation(s) during the past 10 years	<p>2009-Present</p> <p>Managing Director, Clesol Co. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	0.0057% direct and 0.00% deemed shareholding interest
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries)	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments (as defined in the Code) including directorships for the past 5 years	<p>Other Principal Commitments:</p> <p>None</p> <p>Other Directorships:</p> <p>None</p>
Other principal commitments (as defined in the Code) including directorships at present	<p>Other Principal Commitments:</p> <p>None</p> <p>Other Directorships:</p> <p>None</p>

In the additional disclosure table below, each Director is referred to by his initials as follows: Mr. Prasert Bunsumpun (“PB”), Dr. Jean Paul Thevenin (“JPT”) and Mr. Jan Jozef Skorupa (“JJS”):

	PB	JPT	JJS
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

	PB	JPT	JJS
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

BUSINESS OVERVIEW

BUSINESS HIGHLIGHTS

Mermaid Maritime PCL (“Mermaid”) is a Thailand-based subsea services company. The Company offers subsea engineering, survey and inspection by divers and remotely operated vehicle (“ROV”) systems and ownership and operations of a fleet of offshore service vessels.

Mermaid’s majority shareholder, Thoresen Thai Agencies Public Company Limited (“TTA”) holds a 58.22% stake as of 31 December 2020. Mermaid, commenced its operations in 1983, was partially acquired by TTA in 1995 and was successfully listed on the Singapore Stock Exchange (“SGX”) on 16 October 2007.

Mermaid is a leading international subsea services company in service of major oil and gas companies or their contractors. Our corporate headquarters are in Asia (Thailand). We have operational bases in South East Asia and the Middle East.

Mermaid provides full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. We have been in the offshore business for over 30 years, and we are today present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff. Our vision is to be a premium service provider to the offshore oil and gas and Renewables industry and to constantly deliver enhanced return to our shareholders.

As a result of the challenging outlook across the oil and gas space, a two-pronged strategy continues to be implemented by Mermaid’s senior management team. This takes into account both a short-term /tactical approach (“Strengthening our Core”) and a longer term vision (“Positioning for Growth”), that will ensure our ability to continue to build sustained shareholder value.

Strengthening our Core: In reciprocity to our “Strengthening our Core” strategy, we prioritize safeguarding our home market and streamlined our internal processes. Striving to provide a higher quality service, at optimum cost in a shorter time, Mermaid and AI and Robotics Ventures Co., Ltd., a subsidiary of PTT Exploration and Production Pcl., have set up a Joint Venture “ZeaQuest Co., Ltd.”. The newly formed partnership aims to develop robotics and artificial intelligence technology to provide commercial subsea engineering services to oil and gas companies, and renewable energy corporates operating in offshore businesses, both in Asia and other regions. In September 2020, we have exited the drilling space, in order to refocus on subsea fleet services, IRM and Cable works.

Positioning for Growth: In adhering to our “Position for Growth” strategy, we are progressively looking for any new window of emerging demand. With various potential opportunities in the decommissioning market, we have established an Offshore Transportation, Installation (T&I) and Decommissioning services business unit as part of its diversification for growth strategy.

1. SERVICES AND FLEET STRUCTURE

MERMAID SUBSEA SERVICES GROUP

Subsea Services

Our business activities focus on diving and remote intervention by manned and unmanned submersibles (“ROV”) with world first autonomous underwater vehicle (“AUV”) and subsea flowline control and repair (“SFCR”) vehicle being developed. Its Subsea Division is represented by Mermaid Subsea Services (Thailand) Ltd. and Mermaid Subsea Services (International) Ltd. Both subsea units are integrated and operate under the same brand “Mermaid Subsea Services”. A wide range of subsea engineering services are provided, including subsea installation engineering, offshore decommissioning, inspection, repair and maintenance, construction and installation support, commissioning, cable and coil-able hard pipe laying projects.

As of 31 December 2020, the subsea fleet consists of 6 subsea support vessels, 3 of which are specialized dive support vessels, and 13 ROV systems, including deep water and ultra-deep-water heavy construction class systems. Apart from its key assets, the Subsea Division has a workforce up to 500 professional engineers, divers, technicians, surveyors, HSE personnel, marine personnel and support staff to work on its subsea engineering projects in addition to a permanent workforce.

Fleet Services

All vessels are classified by DNV GL (would later be changed to “DNV” as of 1st March 2021) or American Bureau of Shipping (“ABS”), which are two of the leading classification societies. All vessels are subject to regular inspection by class surveyors, in addition to regular dry-docking and other planned maintenance. Another core competency for the Subsea Division is running its diving operations to world class standards, especially those set by the International Oil and Gas Producers Association (“IOGP”).

Subsea Fleet List

No.	Name of Vessels	Vessel Type	Calendar Year	
			Build Year	Purchase Year
1.	Mermaid Endurer	DP2 Dive Support Vessel	2010	2010
2.	Mermaid Asiana	DP2 Dive Support Vessel	2010	2010
3.	Mermaid Commander	DP2 Dive Support Vessel	1987	2005
4.	Mermaid Sapphire	DP2 ROV Support Vessel	2009	2009
5.	Mermaid Siam	DP2 Construction Support Vessel	1991	2010
6.	Mermaid Challenger	General Utility Vessel	2008	2008

The following details the Subsea Division’s core services:

Exploration services	Pre-installation surveys, rig positioning and installation assistance, subsea equipment maintenance.
Development services	Installation of subsea flexible pipelines, flow lines, control umbilical’s, manifolds, risers, pipe lay and burial, installation and tie-in of riser and manifold assembly, commissioning, testing, and inspection, offshore decommissioning, SURF and cable lay and connection.
Production services	Inspection, maintenance, and repair of production structure, risers, pipelines, and subsea equipment.

2. MARKETING AND COMPETITION

SUBSEA SERVICES CLIENTS

Major National and International oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms trust Mermaid as their partner in our regional markets of Middle East and South East Asia. Clients in the Middle East remain the major contributor to Mermaid's business. A key diving contract secured in 2013 through the Company's Middle East joint venture, Zamil Mermaid Offshore Services Co. (LLC), Mermaid continues to buoy Mermaid's revenues and returns, and will continue to do so until end of 2022 after securing a three-year contract extension in 2019. Mermaid's strategy "Positioning for growth" is expected to place regional market expansion into other markets for the Subsea Division such as, West Africa and the Mediterranean over the next few years. Maximize vessel utilization continues as one of top priority while at the same time, cross selling of services through the value chain and longer contract durations in growth areas e.g. East Africa, South East Asia, and the Middle East.

COMPETITION

Our highly experienced team, maintain that on-time project delivery and customer service remain our crucial differentiator. There are many reasons why our customers choose us. We have an excellent health, safety and environment track record which we are proud of. We also offer first tier service quality in a competitive pricing space. We have capability and resources to handle large and small projects as required, and to which end provide a 'one-stop shop' service point. We are supported by a large pool of in-house experienced and dedicated personnel, strategic local partnerships in various geographies, and we are fully compliant to International Standards on our vessels and equipment.

We have also worked hard to earn a track record of successful projects delivered to reputable clients, to expand business to new geographical areas, and develop regionally based operations with long-term customer relationships. There are systems in place to allow dedicated customer support, and quick response to emergency call outs and variation orders, at all times and in all situations. As a result, we are pleased to receive continued repeat business from most all of our proponents.

We are now also entering into R&D with the aim of introducing new technology & services to our space – this includes as A.I. and underwater robotics in order to reduce operating time, risk, expense with zero greenhouse gas emission for customers with various circumstances.

INDUSTRY OVERVIEW

INDUSTRY OUTLOOK

1. 2020/2021 – FAST REBOUND FROM PANDEMIC WITH OPEC SUPPORT

The global energy demand and supply pattern has been greatly disrupted by COVID 19 pandemic. Whilst there was some recovery in the economy from July 2020, the uncertainty still remains due largely to the limited availability of vaccine, and obvious possibility/inevitability of further restrictions or lockdown going forward. Meanwhile the Organization of Petroleum Exporting Countries (OPEC) and its partner countries (OPEC+) decided on a stepped increase plan in oil production as of January 2021, already lower increases than were initially envisaged, this plan is now in action and is adjusted monthly in order to match Global demand.

Oil & Gas CAPEX is projected to fall more than 23% year-on-year in 2021 according to Fitch solutions. The Shale gas which was once hailed as the new competitive player which would unlock massive supply to the market, is now facing inevitable crisis. The pandemic and oil price crash have dealt an unavoidable serious blow to most segments the industry.

Deloitte stated that at least 43 US Shale operators have filed for bankruptcy. Whilst divestment and M&A offer solid risk mitigation, such activities nevertheless remain largely unachievable even with low valuations as investors sustain a trend for cash preservation.

The reduction in supply to match the decline in demand resulting from COVID-19 wreaked havoc in the oil space. Nobody was immune. According to Deloitte, global oil demand fell by 25% in April 2020 when compared to January. The decrease plummeted down 45% for US gasoline demand, almost 5 million barrels/day.

The possibility of scarring from the pandemic is imminent. Mass layoffs will and have followed, and many of the positions lost during pandemic, may arguably never be revived, or may almost definitely not come back by the end of 2021 according to Deloitte.

The immediate outlook for the oil market will ultimately depend on 3 variables. The first is how tightly governments manage the second waves of outbreak, how successful those efforts are, and what lingering impact the global health crisis has on economic activity. Second is how fast and effective vaccine development, roll-out and pricing is/has been. Lastly is the vaccine supply in the market.

Rystad Energy discerns that the second lock down and restriction from Europe will have less damage to gasoline demand. The impact altogether lower than it was in April, as this lockdown is less extensive and as Europeans show lower compliance to restrictions than before.

The U.S. Energy Information Administration (EIA) deemed that the Oil and Gas demand has rebounded sharply after April 2020 but Brent oil price experienced considerable inertia at around US\$45/bbl while maintaining its stability, it was unable to break through the US\$50/bbl upper level. The demand is expected to remain lower than pre-COVID-19 levels for the foreseeable short-term.

In November 2020, the COVID-19 vaccine development news was released along with expectations that the and partner countries of OPEC and OPEC+ would increase oil production at lower increments than originally estimated.

The later was proven to be true on December 2020, when OPEC and OPEC+ announced the reduction of the rise in production from 2 million barrels per day to 0.5 million barrels per day.

EIA forecasted that Brent prices will be approximated at US\$49/bbl in 2021, but we have already seen considerable upside on that estimate. The accumulated supply from 2020 will be gradually dissipate and the price will climb up US\$ 5 per barrel in first quarter and another US\$ 1 per barrel by the end of 2021.

(Source: www.eia.gov, Rystad Energy, Deloitte and Fitch Solution)

Forecasts for average Brent oil price in 2021 are as tabulated below.

No.	Forecaster Name 2021	Brent Price Forecast
1.	Goldman Sachs	US\$65
2.	Reuter Poll of analyst	US\$51
3.	Citibank	US\$49
4.	Moody	US\$45
5.	Fitch Solution	US\$45
6.	World Bank	US\$41

(Source: oilprice.com)

2. THE OFFSHORE OIL AND GAS SECTOR

While the oil price is forecasted to rebound, the uncertainty still remains due to oversupply and piling inventory as a result of reduced activities precipitated by COVID-19. Mermaid will be taking an aggressive position in strengthening the core business, and diversifying portfolio to cope with new fast and ever changing era.

According to Rystad Energy forecast, there will be an oversupply in the first quarter of 2021 which will gradually transform into deficit in supply instead. With rapid recovery going forward, monthly supply deficits will start from May, reaching a high of around 3.4 million barrels per day in August.

International Energy Agency (“IEA”) also estimates an increase in gas demand of circa 1.5% from 2020. Rystad Energy also speculates that as the supply deficit continues, it will manifest a window of opportunity for producers, especially in shale space, which is forecast to increase by 32% in operating expense – this will be coupled by an already booming offshore Wind industry.

The decline of oil & gas activity has prompted major oil and gas players to establish themselves in offshore wind space stated by Everoze. However; due to the much smaller market of offshore wind projects compared to oil and gas, the wind projects will be fiercely contested bringing on a softening on margins in general across both mediums of both Renewables, and Hydrocarbons.

In regard to expanding demand for offshore wind projects, specialized installation vessels will find a unique niche early. According to Rystad Energy, the global fleet will be insufficient to meet demand after 2025, opening room for more specialized vessel orders and other oil and gas heavy lift vessel conversions.

Depending on the outcome of the pandemic, Offshore market segments in 2023 look set for growth. Subsea purchases, construction and installation, and equipment may see another short bull run due to another projected increase in Offshore and Subsea development projects.

(Source: Rystad Energy, iea.com and everoze.com)

SUBSEA SERVICES

1. THE SUBSEA MARKET

The subsea vessel market has been already effected by the COVID-19 from 2020, and most companies already are operating at low margin, effectively just chasing contribution in order to weather the situation. With the fast rebound in crude prices projected for 2021, though not to the level of pre-COVID era, it is hard to perceive a further sharp or definite decline off the levels of the current situation.

It is documented that the subsea vessel market has been operating at over capacity for years. While the trend continues, some of those issues has been mitigated by scrapping, or cold storage which has in any event rendered many older units unserviceable going forward. 232 OSV's were scrapped between 2019 and November 2020. Whilst not nearly enough to restore the balance, with many shale oil operators filing for bankruptcy, and suddenly less investment in in-land this year, a slight recovery is projected in various segments.

There are a few emerging markets riding the tide of the pandemic. With renewable energy trending as it is now - offshore wind farms specifically, the associated installation vessels are going through an unnatural high. This trend is expected to continue, and there is a room for some more conversions to match said demand.

China's growth in offshore wind capacity has been 94% of Asia's capacity. On the side note, up to 50 floating production storage and offloading (FPSO) units are expected to be constructed in Chinese yards in the next five years. So there is some buoyancy there also

(Source: seatrade-maritime.com, rivieramm.com and Rystad Energy)

2. TYPES OF SUBSEA VESSELS

The offshore industry is a varied sector within which many vessel types operate, performing numerous different tasks with often-unique systems and equipment. These vessels can range from purpose-built specialized ships which may, for example, only perform diving operations, to vessels which have been repeatedly converted from one vessel type to another, as nature of the business changes. The term "offshore support vessel" can include a host of vessel types and it is unusual for one single vessel to only fulfill one particular function. Adaptability creates dependability in this space and depending on configuration, a vessel could perform diving, remotely operated vehicle ("ROV") support, survey and construction support operations.

Generally, dive support vessels (DSV) within the offshore industry range from converted vessels fitted with rudimentary air diving spreads, to purpose-built vessels fitted with extensive and complex saturation diving systems. ROV support vessels can include vessels fitted with portable launching systems, which can be mobilized and demobilized to the vessel within very short periods of time. Construction support vessels will have many generic characteristics and design features associated with dive and ROV support vessels, the main function of the offshore construction vessel will be the installation and decommissioning of subsea and surface structure installations. Pipe lay vessels may have different design features of systems and equipment on board, however the main function of these vessels is to lay pipe along a designated seabed channel or route.

MERMAID'S INDUSTRY POSITIONING

Having served the Oil & Gas industry for over 30 years, Mermaid boasts a proven track record of subsea excellence. With operations throughout South East Asia, Middle East and previously Africa and the North Sea, Mermaid played a pioneering role in the global subsea markets. Mermaid has the ability provide a subsea engineering solution, in most water depths and this can involve complex and challenging engineering, in any region of the world for the Oil and Gas markets.

Owning and operating a fleet of subsea construction, intervention and survey vessels enable us to offer differentiated positions with our clients, Mermaid focuses on long term relationships to enhance our service delivery and reduce overall risk.

Mermaid will continue to take a cautious perspective on the offshore oil and gas market for the next 12 months. With the recent oil market rebalance, coronavirus impact, many commentators in the industry have put forward certain features of offshore oil and gas service companies that would make them better placed than others within the space. Having taken these various factors into account, Mermaid believes that it is one of those well-placed companies, which could capitalize on the current market conditions. This is due to Mermaid's strategic industry positioning, reputation, track record, and low gearing and current cash position and fiscal discipline. This is further elaborated below:

GEOGRAPHICAL COVERAGE AND SHALLOW WATER FOCUSED

The majority of Mermaid's subsea vessel fleet operate in relatively shallow water which is known to be more defensive and less affected by lower oil prices. Cost of sales is irrefutably lowest in this space. This is because break even costs of such fields are clearly lower than those of deeper water fields and therefore less likely to be subject to contraction in service demand. Mermaid has also developed strong local joint ventures in cabotage-protected markets serving NOC's in those countries. This includes countries throughout Europe, Middle East and Asia Pacific regions exposing Mermaid to the benefits of local expansions as NOC's strive for continued growth and energy security, and therefore tend to be less price sensitive.

IRM FOCUSED, AND GEOGRAPHICAL EXPANSION

One of Mermaid's core businesses is dedicated to a NOC's yearly inspection, repair and maintenance programs which is less exposed to capital expenditure reduction. In particular, medium to long-term demand is expected to remain relatively intact, which should bode well for Mermaid. Mermaid continues to pursue other service and geographical expansion to those countries where demand growth is relatively strong especially in the IRM, subsea engineering, SURF and cable installation markets, but where production costs are fashionably lower – Africa being one of those geographies obviously.

TRACK RECORD OF QUALITY AND SAFETY, MODERN ASSET BASE

Mermaid remains near the top of the “mid-size contracting Companies and is one of the key industry players in that tier. An excellent operational and safety record and a stable management team, should keep Mermaid this way. This positioning provides a competitive advantage in tighter market conditions as oil and gas majors will give preference to flexible contractors who have an established track record over new players. Mermaid's subsea fleet is relatively young, thus placing them in a favorable position with oil and gas majors who have shown a tendency for newer equipment due to superior capabilities and operational efficiency. Mermaid has already implemented asset growth plans through chartering-in of additional subsea vessels, or possible acquisitions as tonnage prices continue to drop on the back of COVID-19 related havoc. This allows Mermaid the flexibility to serve anticipated demand or to release such charters in the event of falling demand without the need for major capital expenditure.

Mermaid has a stable order book which has this year grown year-on-year. Most work is in the subsea services sector, with more near term contract wins expected. This contract backlog is expected to provide a backbone of revenue in 2021, and there is already room for additional upside.

FISCAL DISCIPLINE

In these challenging market conditions, Mermaid retains low gearing and sufficient cash reserves. It allows the company to remain agile and be ready to take advantage of any opportunistic and organic growth that may present itself in the present time.

(References: IHS Markit, Kennedy Marr, Organization of the Petroleum Exporting Countries (OPEC), Pareto Securities Research, Rigzone, Rystad Energy, Strategic Offshore Research, U.S. Energy Information Administration (EIA), Moody's, Wood Mackenzie).

MANAGEMENT DISCUSSION & ANALYSIS

This discussion and analysis of the operating results of Mermaid Maritime Public Company Limited (the “Company” or “Mermaid”) and its subsidiaries’ (collectively the “Group”) are provided based upon consolidated financial statements, which have been tailored in accordance with the Thai Financial Reporting Standards (“TFRS”) and guidelines imposed by the Federation of Accounting Professions (“FAP”). To analyse the Group’s financial performance, a variety of financial and operational terms and concepts have been used including the following:

Calendar-vessel-days: Calendar-vessel-days are defined as the total number of days during which the vessels have been owned and/or operated by the Group.

Available days: Available days are defined as the number of Calendar-vessel-days less the total number of days that the vessels are off-hire due to scheduled repairs or repairs under guarantee, and upgrades or special surveys. Available days represent the number of days during which the fleet is capable of generating revenues.

Operating days: Operating days are defined as the number of available days less the total number of days that the fleet is off-hire due to any reason, including unforeseen circumstances. Operating days represent the number of days during which the fleet actually generates revenues.

Fleet utilization: Fleet utilization is calculated by dividing the number of operating days by the number of available days. Fleet utilization measures the efficiency in finding suitable employment for the vessels and minimising the amount of days that they are off-hire for reasons other than scheduled repairs or repairs under guarantee, upgrades, or special surveys.

Dry-docking: Each of the vessels must be cyclically dry-docked for inspection, repairs and maintenance, and any modifications to fulfill industry certification or government requirements. Generally, the vessels are dry-docked every five (5) years and additional interim dry-docked every two and a half (2.5) years. A substantial portion of the dry-docking costs are capitalized and amortized on a straight-line basis from the completion of a dry-docking to the estimated completion of the next dry-docking. Dry-docking is considered a separate component of a vessel’s total investment costs that have a different pattern of economic benefits and are therefore depreciated separately. Costs associated with routine repairs and maintenance that do not enhance or extend a vessel’s useful life are expensed during the quarter in which they are incurred.

Depreciation: The reduction in value of the vessels is computed on a component basis, whereby each major component of a vessel is depreciated over its useful life. As components have different useful lives, the total of these component depreciation expenses are noted in the Group’s financial statements.

Service and administrative expenses: Service and administrative expenses include onshore fleet related expenses such as payroll, rent, legal and professional expenses, and other general expenses. The depreciation of building and office equipment is also viewed as part of the service and administrative expenses.

Exchange rate: For 2020 financial numbers, the exchange rate of Baht 30.0371 and Baht 31.2936 to US Dollar 1.00 was used to denominate value in Baht currency to US Dollar currency for the statement of financial position and statement of comprehensive income, respectively.

In this section, unless otherwise specifically stated to the contrary, all references to years (i.e. 2019 and 2020) shall mean the financial years of the Group ending 31 December.

SUBSEA SERVICES

The subsea services group comprises Mermaid Subsea Services (Thailand) Ltd., Seascope Surveys Pte. Ltd. in Singapore, Mermaid Subsea Services (International) Ltd. in Seychelles, Mermaid Subsea Services LLC in Qatar and Mermaid Subsea Services Saudi Arabia Co., Ltd. (collectively “Subsea Group”).

SUBSEA IRM AND SURVEY WORKS

The following table provides a summary of the changes in Calendar-vessel-days by owned and chartered-in vessels for subsea inspection, repair and maintenance (“IRM”) and survey works.

TABLE 1: CALENDAR-VESSEL-DAYS FOR OFFSHORE SERVICE VESSELS

Calendar-Vessel-Days	Unit: Days			
	FY 2020		FY 2019	
	No. of Days	% Change	No. of Days	% Change
Owned Vessels	2,196	-10.84%	2,463	-3.60%
Chartered-in Vessels	0	NA	0	-100.00%
Total	2,196	-10.84%	2,463	-10.99%

Calendar days of owned vessels were decreased from 2,463 days to 2,196 days in 2020.

TABLE 2: FLEET UTILIZATION FOR OFFSHORE SERVICE VESSELS

Item	Unit: Days			
	FY 2020		FY 2019	
	No. of Days	% Change	No. of Days	% Change
Calendar-Vessel-Days	2,196	-10.84%	2,463	-10.99%
Planned Off-Hire Days	136	209.09%	44	-73.01%
Available Days	2,060	-14.84%	2,419	-7.10%
Operating Days	872	-3.86%	907	14.81%
Fleet Utilization	42.33%	4.84%	37.49%	7.15%

Revenue from rendering of services: Revenue from rendering of services declined 20.87% from US Dollars 105.9 million in 2019 to US Dollars 83.8 million in 2020. Despite the fact that total fleet utilization decreased from 907 operating days in 2019 to 872 operating days in 2020, the total fleet utilization rate rose from 37.49% in 2019 to 42.33% in 2020. Average day rates decreased from US Dollars 83.7 thousand in 2019 to US Dollars 65.6 thousand in 2020.

Costs of rendering of services: Recorded at US Dollars 95.4 million in 2020, costs of services, basically consisting of service expenses and depreciation, decreased by 12.56% compared to US Dollars 109.1 million in 2019.

Service expenses: Service expenses decreased by 10.34% from US Dollars 90.9 million or equivalent US Dollars 36,887 per Calendar-vessel-day in 2019 to US Dollars 81.5 million or equivalent US Dollars 37,107 per Calendar vessel-day in 2020. Service expenses as percentage of revenue increased from 85.76% to 97.26% as a result of additional charter hire and related costs occurred during COVID-19 pandemic.

Depreciation: Depreciation expenses decreased from US Dollars 18.2 million in 2019 to US Dollars 13.9 million in 2020 representing a 23.63% decrease due to scheduled 5-years regulatory dry-docking activity for owned main vessels.

OTHER OPERATING RESULTS

General and administrative expenses: General and administrative expenses were US Dollars 24.7 million in 2020. Administrative expenses increased by 4.22% from US Dollars 23.7 million in 2019. The increase principally came from impairment loss. However, other main administrative expenses such as employee benefit expenses, legal fees, traveling expenses and withholding taxes reduced in 2020.

Impairment loss: US Dollars 10.0 million was recorded as in 2020 as impairment loss which comprised of expected credit losses at US Dollars 7.9 million and impairment loss on goodwill at US Dollars 2.1 million. In 2019, US Dollars 5.1 million was recorded as an impairment loss on two subsea vessels. These losses were recorded under general and administrative expenses.

Loss on disposal of investment in an associate: In 2020, the Group exercised the put option to sell all of its 33.76% shares in Asia Offshore Drilling Limited (“AOD”), an associate. The loss on disposal of investment in this associate was recognized at US Dollars 68.1 million.

Finance costs: The costs of finance were recorded at US Dollars 2.2 million in 2020, decreased from US Dollars 3.4 million in 2019 as a result of lower market interest rate.

Interest income: Interest income was at US Dollars 0.1 million in 2020.

Foreign exchange gains (losses): Changes in foreign exchange rates resulted in US Dollars 15 thousand losses in 2020 compared to US Dollars 226 thousand gains in 2019.

Other income: Other income declined from US Dollars 0.9 million in 2019 to US Dollars 0.3 million in 2020.

Share of profits (losses) of associates: Share of losses from associates was recorded at US Dollars 0.9 million in 2020 whereas share of profits from associates was recorded at US Dollars 5.3 million in 2019. This resulted from an accounting adjustment in 2019.

Income taxes: Income tax expenses rose by US Dollars 1.9 million from USD Dollars 0.6 million in 2019 to US Dollars 2.5 million in 2020. An increase was primarily due to a reversal of deferred tax assets during the year as a subsidiary cannot utilize tax loss carried forward before it's expired.

Based on the factors illustrated above, the Group reported net loss of US Dollars 109.6 million in 2020, which dropped from net loss of US Dollars 24.2 million in 2019.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth the Group's consolidated capitalization for the two previous financial years.

TABLE 3: TOTAL CAPITALIZATION

Unit: US Dollars '000

Item	As at 31 December	
	2020	2019
Cash, cash equivalents, current investment and deposits		
Cash and cash equivalents	37,756	22,496
Current investment	9,714	12,207
Restricted deposits at financial institutions	9,193	11,268
Total cash, cash equivalents, current investment and deposits	56,663	45,971
Debt		
Short-term borrowings from financial institutions	-	244
Current portion of long-term borrowings (including finance leases)	13,750	11,953
Long-term borrowings (including finance leases)	44,091	43,846
Total Debt	57,841	56,043
Shareholders' Equity		
Ordinary shares, Baht 1 par value		
1,413.33 million shares issued and fully paid-up	47,322	47,322
Share premium on ordinary shares	343,536	343,536
Retained earnings (deficit)	(221,082)	(101,337)
Other components of equity	(2,473)	(2,528)
Total Shareholders' Equity	177,303	286,993
Total Capitalization	235,144	343,036
Total Debt to Total Capitalization	0.25	0.16

As at 31 December 2020, the Group's total cash and cash equivalents equaled US Dollars 56.7 million, an increase of US Dollars 10.7 million from US Dollars 46.0 million as at 31 December 2019.

For the year ended 31 December 2020, the Group had net cash used in operating activities of US Dollars 6.1 million which is lower than the cash flow for the corresponding period ended 31 December 2019. This was mainly from a payment of trade and other accounts payable.

The Group had net cash from investing activities of US Dollars 22.3 million in 2020. This was primarily due to cash received from sale of investment in an associate of US Dollars 31.0 million and net received from sale of current investment of US Dollars 4.3 million, which offset against an acquisition of property, plant and equipment of US Dollars 10.7 million and acquisition of current investment of US Dollars 2.0 million.

The Group used net cash in financing activities of US Dollars 1.0 million in 2020. This was due to new proceeds from long-term loans from financial institution for vessel dry-docking of US Dollar 8.0 million which offset against loan repayment to financial institutions and finance cost paid of US Dollars 6.6 million and US Dollars 2.2 million respectively.

As at 31 December 2020, the Company had a total debt of US Dollars 57.8 million, comprising of long-term borrowings from financial institutions of US Dollars 57.4 million and lease liabilities of US Dollars 0.4 million. In comparison, as at 31 December 2019, the Company had a total debt of US Dollars 56.0 million, comprising of short-term borrowings from financial institutions of US Dollars 0.2 million and long-term borrowings from financial institutions of US Dollars 55.8 million. Outstanding loans were obtained mainly for acquisitions of vessels, rigs and equipment.

CAPITAL EXPENDITURES

The major capital expenditure in 2020 was an investment in property, plant and equipment totaling of US Dollars 12.3 million.

QUALITATIVE AND QUANTITATIVE MARKET RISK

FOREIGN CURRENCY FLUCTUATION RISK

The international offshore oil and gas industry utilizes the US Dollars as its functional currency. Consequently, a substantial portion of the Group's revenues and operating expenses are recorded in US Dollars. The Group also incurs certain crew, vessel and rig operating expenses, dry-docking and overhead costs in foreign currencies. A substantial part of the assets and liabilities of the Group are recognized in US Dollars

INTEREST RATE RISK

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rate.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. The Group manages credit risk by considering and following credit policy for customer evaluation and monitored closely along with suitable resolution and instrument to reduce exposures.

LIQUIDITY RISK

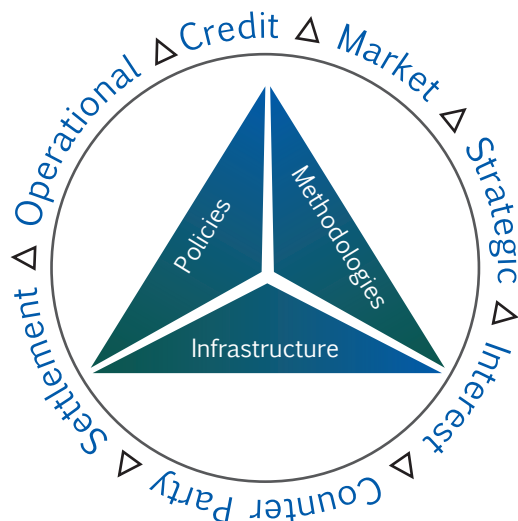
The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

RISK MANAGEMENT

Mermaid Maritime Public Company Limited and its subsidiaries (“Mermaid Group” or “the Group”) has a sound Risk Management framework which takes active part in the process of identifying, assessing, and monitoring risk in order to enable proactive vision amongst the Management and to mitigate and avert appropriately. Thus the committee is established for the correct management of risk appetite expressed by the shareholders to ensure that the Group continues to achieve its corporate vision and mission.

ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

Mermaid Group’s Enterprise Risk Management (“ERM”) framework provides the Group with a robust, holistic and systematic approach in risk management. The Group has established ERM frameworks, methodologies and tools to develop risk management. To provide an integrated and holistic view on the overall strategy for managing risk in the Group, organizational reporting has been structured for risk identification, assessment and prioritization, as well as design and implementation of mitigating actions including monitoring and reporting risks, Group policies, and limits in addressing the key risks of the Group.



The Group has developed a risk management framework to provide assurance about the effectiveness and efficiency of operations, to enforce compliance with regulations, to support business sustainability, to ensure reliable reporting to stakeholders and accentuate responsible behavior.

RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

THE BOARD OF DIRECTORS

Our Board is responsible for governing risks and ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders’ interests and the Company’s assets.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee (“RMC”) assists the Board to drive risk governance in the Group and communicate an appropriate tone from the top to all levels of the Group. This entails overseeing the design, implementation and monitoring of the Group’s risk management and internal control systems. The RMC engages in regular reviews and discussions with management at committee meetings, covering the Group’s top risks and treatment plans.

MERMAID GROUP’S FIVE-STEP RISK MANAGEMENT PROCESS

The Group’s five-step risk management process consists of risk identification, risk assessment, risk responding – followed up by monitoring and reporting. The assessment process takes into account both the impact and likelihood of the risks occurring, and also covers financial, operational, compliance, reputational and other aspects. Tools such as risk rating matrices and risk registers are used as part of this process.

Our ERM framework is reviewed regularly, taking into account changes in the business and operating environments. References are made to the Singapore Code of Corporate Governance, ISO31000 standards for Risk Management, COSO Enterprise Risk Management-Integrated Framework (2004) as well as the Guidebook for Audit Committees (2014).

As a Group, our ERM framework provides robust and holistic enterprise-wide view of potential events that may affect the ability to achieve an organization’s objectives. We take a balanced approach to risk management. To minimize risks and optimize returns for the Group, we will only undertake appropriate and well-considered risks.

KEY RISKS AND MITIGATION STRATEGIES

The Group conducts an exercise to review its key risk profile on a quarterly basis, or whenever there are significant changes to the business or operating environment. During the review, both internal and external factors are examined to determine the Group’s key risk profile. The key risk profiles of strategic business units as well as risk factors in the global environment are analyzed and deliberated by the RMC.

A) STRATEGIC RISKS

Strategic risks pertain to the Group’s business plans and strategies, as well as uncertainties associated with the countries and industries in which Mermaid operates. These include market driven forces, changing laws and regulations, evolving competitive landscape, changing customer demands, shifting technology and product innovation.

Growing the market on a global scale can mitigate the risk of each region. Some circumstances effect only in their area, so global expansion can avoid area-specific risk by having businesses in difference regions to support each other. Diversification of service offerings to customers based against expected emerging demand to generate additional streams of revenue are also another strategy to mitigate against downside earnings from existing services.

Risk considerations form an integral part of the Group’s strategic and budget reviews, policy formulation and revision, projects and investments. Strategic risks are reviewed periodically with our Board to ensure that the Group is resilient in dealing with adversity, and agile in pursuing opportunities.

On a regular basis, we closely monitor for changes in the business, economic, political, regulatory and competitive landscape which in turn gives the management better insights into impending developments.

B) CREDIT RISKS

Credit default risks:

Credit default risk refers to customer credit risk due to uncertainty in customer's ability to meet its financial obligations to the Group. It may affect the Group's collectability on receivables which is already generally long outstanding as a normal practice for the oil and gas business. To reduce customer credit risk, the Group minimizes risk by developing Group credit policy and procedures including closely monitoring of account receivable collections.

Concentration risk:

The Group's revenue is mainly derived from a few customers. This creates exposure the potential to produce large enough losses to threaten the Group's operations if projects end unexpectedly. The Group conducts feasibility study to expand its customer base across countries and grow its market position by seeking new contracts to mitigate customer credit risk.

C) OPERATIONAL RISKS

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, human factors or external events associated to the Group's operations. The Group adopts a standardized risk assessment, risk decision making, implementation of risk controls and monitoring process, to help manage the spectrum of key risks throughout the stages of each project. Integrating risk management processes with business operations and project execution across all business units facilitates early risk detection and proactive management of those risks. Formalized guidelines, procedures, internal training and tools are used to provide guidance in assessing, mitigating and monitoring risks.

During the pre-contract stage, the project evaluation team, comprising members from different functions, identifies and evaluates key risks concerning the market, customers, engineering expertise and challenges, contractual terms, cost estimation, resource availability and other specific project structure and conditions. Mitigating actions are identified to address these potential risks.

At the execution stage, key risk areas involving costing, scheduling, planning, engineering, procurement, quality control, health, safety and environment (HSE) management are closely monitored to ensure that pre-emptive measures are taken and appropriately implemented. The aim is to ensure that projects are executed and completed on time, within budget, and with standards of safety and quality that meet or exceed contractual specifications.

In addition, to the extent possible, the Group adopts mutual hold harmless provisions when contracting with customers in order to mitigate the effect of any liability to customers and/or third parties. Where liability for customer and/or third party property or personnel is undertaken, the Group takes initiatives to impose caps on liability. The Group also maintains insurance for hull and machinery, protection and indemnity, commercial general liability and workers compensation to adequate levels to reduce the financial impact of any adverse incidents.

D) FINANCIAL RISKS

Financial risk management relates to the Group's ability to meet financial obligations and mitigate credit, liquidity, currency, interest rate and price risks.

The Group's international presence and worldwide clientele inevitably subjects it to financial risks arising from the global financial market, ranging from foreign exchange volatilities to customer credit risks. Policies and procedures addressing these areas have been established and implemented throughout the Group to mitigate their associated risks.

All of the Group's revenues are paid in US Dollars. Most of the Group's expenditures are in US Dollars thereby providing a natural currency hedge. As a result, the exposure to currency fluctuations and exchange rate risks arising from commitments in non-US Dollar currencies is generally not material. In the event that there are any material transactions in non-US Dollar currency from time to time, the Group considers exchange rate movements and may initiate forward contracts to mitigate against such exchange rate risks, as appropriate.

The Group regularly reviews its loan covenants before entering into loan commitments to ensure financial flexibility is maintained. The Group regularly reviews its financing commitments from time to time to consider if refinancing opportunities exist to secure more competitive financing terms.

E) COMPLIANCE RISKS

We, as with any other company with business operations spanning several countries, are facing an increasing trend of scrutiny and enforcement by authorities and government agencies. Some legislation, e.g. tax regulations, carries significant financial penalties. Against this, the Group has developed a compliance checklist to identify legal and regulatory obligations which strategic business units are subjected to and review them on a quarterly basis to ensure the Group comply with relevant laws and regulations.

Another approach is the regularly review of all applicable laws and regulations of its operating countries. This is done to ensure that operational and compliance activities are aligned with the latest versions throughout the Group.

F) HUMAN RESOURCES RISKS

Excellent people and talent management are the best bulwarks against human resources ("HR") risks. A tightening market for qualified labour will place upward pressure on compensation expectations. Employee engagement and capability remain the most important HR issues the Group is facing year to year. The Group remains concerned about employee engagement and capability. Therefore, the Group has developed a system to attracting and retaining talent employee in a cost-effective manner and has also initiated succession planning and management, role and competency design and leadership development.

In addition, to develop robust HR risk controls, the Group has monitoring systems and responds appropriately to any HR risks by using early warning systems before a HR risk starts to threaten the sustainability of the organization. Measures have been put in place to address such risks. The challenge for the Group to develop and implement effective HR risk management strategies to generate significant business opportunities and to ensure that HR risk management is enduringly embedded in the overall governance and management strategies of the organization.

G) EXTERNAL RISKS

External risks have far-reaching impacts which affect the Group and its customers, suppliers, vendors and other business partners. Such risks include volatilities in the commodity market, health of the world economy, stability in the global financial and banking systems, foreign exchange fluctuations, changes in political regimes and regulatory landscape, and natural disasters.

The recent outbreak of the coronavirus disease 2019 ("COVID-19") is a recent example of an external event that has affected global oil demand and, following the inability of major oil producing nations to agree on revised production targets, led to an oil price crash in the month of March 2020. The World Health Organization declaring COVID-19 as a pandemic and its spread across various countries coupled with the challenges of medical treatment and government intervention to enforce containment continues to weight down the recovery outlook of the oil and gas industry and of the global economy.

The Group recognized that external environment risks are inherently volatile and unpredictable and may cause interruption to the Group's business continuity. Working within these constraints, the Group strives to mitigate such risks to as low as reasonably practicable with due consideration given to achieving an appropriate risk-reward balance.

ENHANCING RISK MANAGEMENT CULTURE

To establish an appropriate risk management culture, we focus on increasing risk awareness as a means to reduce overall enterprise exposure. We endeavor to drive a culture of appropriate risk-taking. The Group constantly strives to move beyond awareness, creating an atmosphere where employees are always making risk-informed decisions. Effective risk management hinges equally on mindsets and attitudes through training, communication, outreach and tool development as well as systems and processes.

Our management is committed to fostering a strong risk culture in the Group, which encourages prudent risk-taking in decision-making and business processes. We are constantly scanning for emergent threats that may affect our businesses. Through close collaboration with stakeholders, we will continue to review our risk management system to ensure that it remains adequate and effective. This will allow the Group to capitalize on growth opportunities while managing the risks of a challenging business environment.

SUSTAINABILITY REPORT

INTRODUCTION

Mermaid Maritime Public Company Limited (from here on referred to as “Mermaid” or the “Company” and together with its subsidiaries the “Group”) is a leading international subsea services company headquartered in Thailand and with operational bases in Thailand, Qatar, Saudi Arabia, and the United Arab Emirates.

Mermaid subsea services provide subsea inspection, repair and maintenance services, light construction services, and emergency repair, cable laying and call-out services globally. Moreover, we are looking to entry into renewable energy business as a part of our future strategy. Mermaid’s fleet consists of vessels that it owns, and vessels that are chartered. In addition, it owns portable saturation diving systems, air diving systems, Remotely Operated Vehicles (ROVs), and inspection and survey equipment. The Company has the capability to serve customers across South East Asia, India, China, the Mediterranean, West Africa, the Middle East, and the North Sea. Mermaid also has established an Offshore Transportation, Installation (T&I) and Decommissioning services business unit as part of its diversification and growth strategy to meet demand from major oil operators in Thailand and the surrounding region.

Mermaid is listed on the Singapore Stock Exchange and adheres to the Listing Rule 711A. Mermaid is pro-active in identifying key materiality issues as it provides the Company with the opportunity to increase its value, both in business and financial terms. Mermaid believes that focusing on material sustainability issues allows it to positively impact growth both in terms of profit and customers. Through this Environmental, Social and Governance (“ESG”) Report (the “ESG Report”), Mermaid communicates the Group’s commitment to sustainable development and its key achievements, practices, and management approaches to its target readers, and internal and external stakeholders.

ABOUT THE REPORT

This ESG report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) reporting framework and relates to the financial year ending on December 31, 2020. This ESG Report of non-financial information (the ‘Statement’) has been drawn up in accordance with Listing Rule 711A and includes information addressing the requirements in Listing Rule 711B’s primary components:

- (a) Material environmental, social, and governance factors;
- (b) Policies, practices, and performance;
- (c) Targets;
- (d) Sustainability reporting framework; and
- (e) Board statement.

The boundary for the metrics and figures presented in the report is limited to the subsea services segment of Mermaid’s operations and it covers ESG factors relevant to Mermaid’s operations for the financial year ending December 2020 (“2020”). The report does not cover information pertaining to Mermaid’s newly established MSS UK and the offshore T&I business unit, as the company is yet to conduct operations. The ESG Report intends to support dialogue with Mermaid’s key stakeholders. In this year’s edition of its ESG Report, Mermaid continues to focus on communicating environmental, social and governance issues that are material to its performance.

BOARD STATEMENT

This year brings unprecedented challenges for the health and welfare of people and for companies alike. The COVID-19 pandemic has reinforced the importance of health and safety and for Mermaid to consider business resilience. As a modern and dynamic company operating in the rapidly evolving energy sector Mermaid recognizes the need to lead a responsible business. The board of directors of the Company (the “Board” or the “Directors”) are empowered to address environmental and social challenges whilst adding value for shareholders and stakeholders. The core values that distinguish Mermaid enabled the company to continue to deliver against objectives and maintain solid business continuity throughout this challenging period.

Mermaid recognizes the importance of good governance for continued growth and investor confidence. The board of directors of the Company considers both financial and extra-financial topics, such as ESG (environmental, social, and governance) topics in the planning and development of its business strategy. Balanced performance on the economic, environmental, and social aspects of the business is integral to the growth of the Company. The Board has advanced efficiently and effectively with initiatives in; environmental, social, and governance scopes. Taking regular action to monitor the characteristics of business activities and their impact on the environment and to ensure that it remains up to date with social issues such as the Sustainable Development Goals (SDGs) continues to be a priority to the Board. This strategy is underpinned by the Company’s commitment to operational excellence and cost-competitiveness, driving business efficiency and sustainability throughout its operations.

In 2020, the Board acknowledges and supports the intentions of the newly submitted nationally determined contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC). The Board recognizes that companies need to be more ambitious and ensure that the transformational action they take on emission reduction is aligned with current NDC’s .

The approach to ESG issues, and the metrics Mermaid measures and report, continues to evolve to align with what is important to the Company, its investors, and stakeholders. This report provides guidance for stakeholders on the company’s approach to sustainably managing Mermaid’s business. This report builds on the Company’s approach to ESG in relation to the UN Sustainable Development Goals, helping Mermaid to frame its activities in the context of this internationally recognized approach to global sustainability.

MATERIALITY AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Mermaid conducted its first materiality assessment in 2016-17 to identify impacts of the Company that are material to its stakeholders and to manage ESG risks and opportunities. Mermaid considered the ESG materiality both within its operations and within its supply chain.

Mermaid's material topics shortlisted in the materiality assessment in 2016-17 remain top priorities in the current financial year. These prioritized material aspects continue to drive the Company's standards, procedures, and technical controls. These issues and their corresponding SDGs have been organized under Exhibit 2. By mapping the linkages between Mermaid's material topics and the SDGs, the Company aims to understand the relationship between the SDGs and the oil and gas industry, incorporate relevant SDGs into business operations, validate current efforts and encourage the exchange of new ideas to manage its impacts. For example, this year Mermaid installed ballast water treatment plant units onboard its three active vessels (endurer, asiana and sapphire).

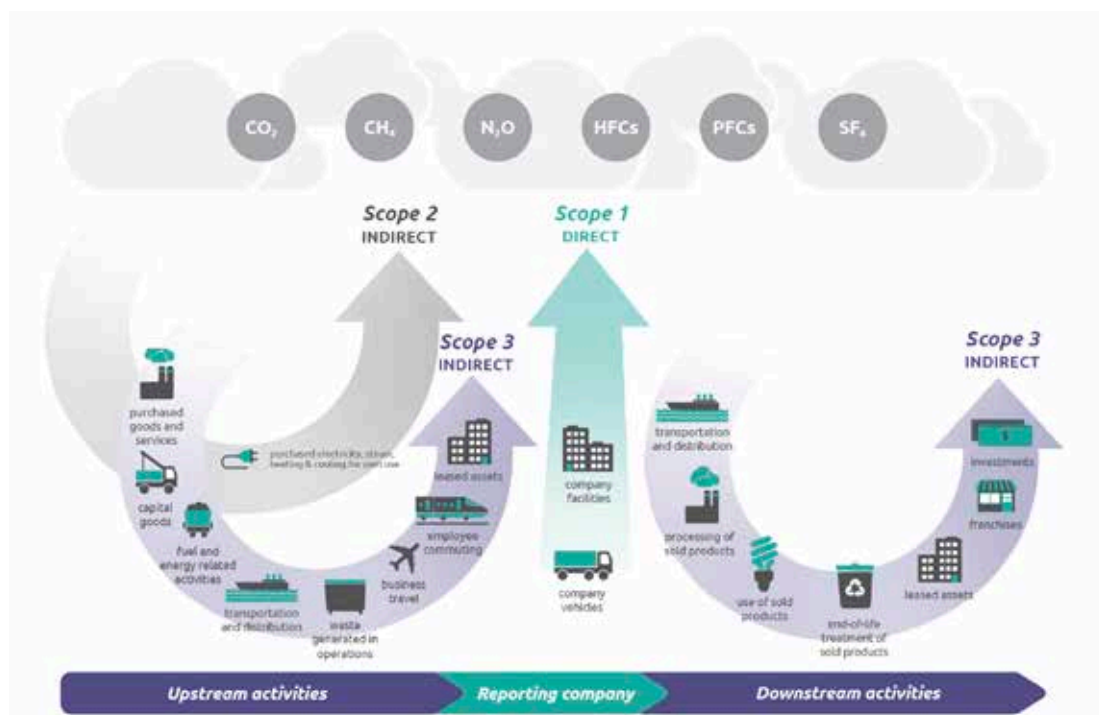
Mermaid discloses the following environmental, social, and governance impacts for its subsea services segment.

Environmental indicators covered include:

- Green House Gas (GHG) emissions, and emissions to air scope 1, 2 and select scope 3 (see exhibit 1 below)
- Water consumption
- Chemical risk management
- Waste generation and disposal
- Ecological impacts

The figure below summarizes an organization's sources of GHG emissions, across scope 1 (direct emissions), scope 2 (indirect emissions, primarily purchased electricity), and scope 3 (indirect emissions from business travel).

EXHIBIT 1: SCOPE OF VALUE CHAIN GHG EMISSIONS FOOTPRINT



Source: WRI (2015) GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

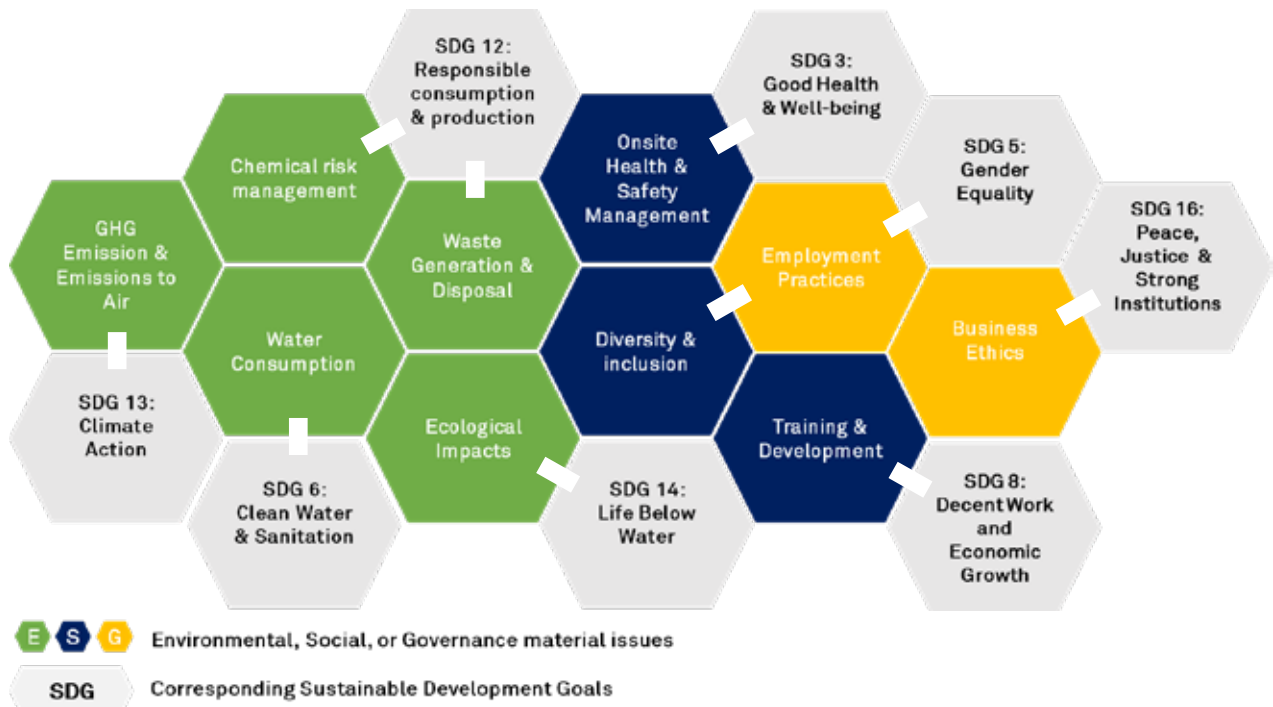
Social indicators covered include:

- Onsite Health and Safety Management
- Diversity and inclusion
- Training and development

Governance indicators covered include:

- Employment Practices
- Business Ethics

EXHIBIT 2: MATERIAL ISSUES AND THE SDGS RELEVANT TO MERMAID



13 CLIMATE ACTION



The following material topics and metrics are discussed under SDG 13 (Climate Action):

TOPIC	ACCOUNTING METRIC
GHG Emissions and Emissions to Air	<p>Total fuel consumed by type/source, the percentage used in operations and equipment, emissions by type.</p> <hr/> <p>Description of strategy or plans to address emissions-related risks, opportunities, and impacts and improve energy efficiency.</p>

ENVIRONMENTAL IMPACTS: GHG EMISSIONS

Global energy systems need to undergo a major transformation over the next 30 years to reduce carbon emissions. The current global policies are a key challenge to achieving this transition. Accordingly, Thailand submitted its updated nationally determined contributions (NDCs) to the United Nations Framework Convention on Climate Change. Thailand's latest NDC reiterates the country's intention to reduce its GHG emissions by 20% from the projected BAU level by 2030. The NDC notes that the target could be increased to 25% with adequate and enhanced access to technology development and transfer, financial resources, and capacity-building support. In support of Thailand's renewed commitment towards the reduction of emissions, Mermaid plans to continue to achieve improvements in emission reduction strategies.

Mermaid has been reporting on emissions since 2016. Set at the highest level, and reviewed each year, the MSS Environmental Policy sets the standards to be followed and maintained annually. These methods, set as documented processes, enable the company to evaluate the significance of environmental aspects and impacts and ensure that the company's environmental management system focuses on related environmental aspects.

In 2020, Mermaid conducted a Group Management Review wherein the company's performance on emission and energy management were discussed. The proper implementation of the requirements (ISO 50001:2011) assists Mermaid to continue to achieve improvement in energy consumption, energy performance, and efficiency. Through the systematic management of energy, Mermaid is able to bring about reductions in energy cost and greenhouse gas emissions and other environmental impacts. In the future, the company plans to achieve certification with the help of a third-party auditor.

Mermaid's operational greenhouse gas emissions are attributed to onsite energy use and business travel. The analysis covers warehouses & workshops, offices, and vessel operations in Thailand, Singapore, Qatar, Saudi Arabia, UAE, and South Africa.

Exhibit 3 below details group GHG emissions. Exhibit 4 details a year-on-year comparison of emissions. Exhibit 5 describes electricity consumption by source.

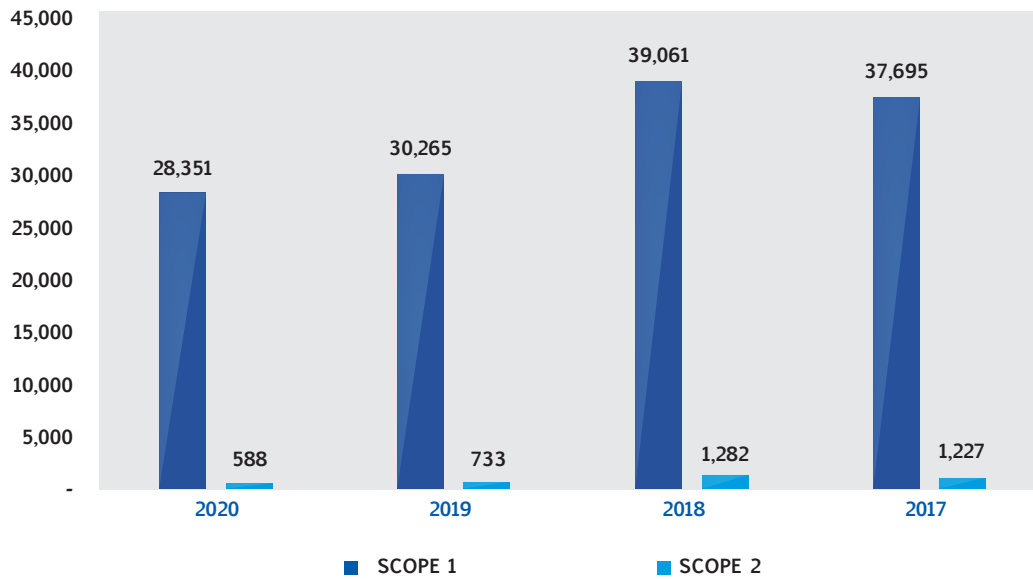
EXHIBIT 3: GROUP GHG EMISSIONS

	Units	2020	2019	2018	2017
Purchased electricity	kWh	1,061,667	1,343,241	2,132,565	2,037,937
Total distance travelled	km	96,907	138,177	277,377	311,801
Scope 1	tCO ₂ e	28,351	30,265	39,061	37,695
Scope 2 (location-based)	tCO ₂ e	588	733	1,282	1,227
Scope 3 (business travel)	tCO ₂ e	17	24	29	N/A

Fuel oil usage within the fleet and electricity generation through gas turbines and diesel engines has a significant contribution towards Mermaid's operational emissions. Scope 1 emissions from direct operations represent 98% of the total GHG footprint and the remaining 2% is attributed to emissions from business travel and the usage of purchased electricity. Purchased electricity represents the next highest overall source of operational GHG emissions.

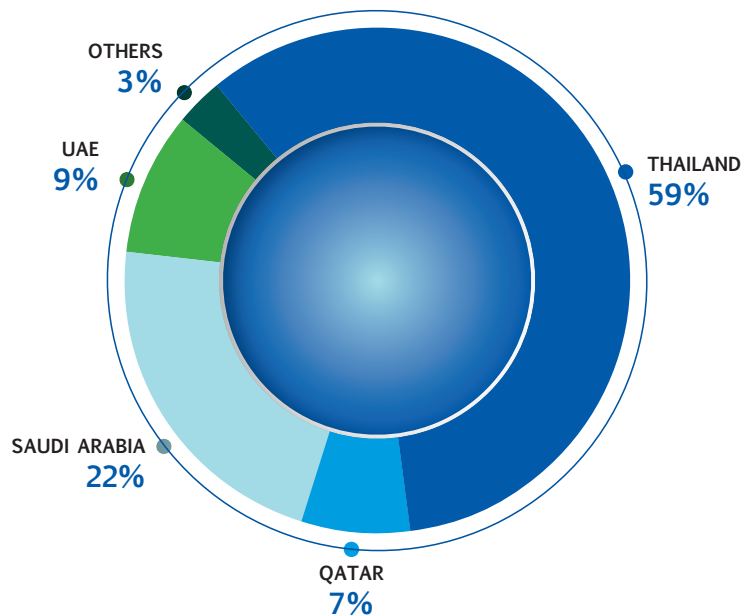
¹ Thailand's Updated Nationally Determined Contributions

EXHIBIT 4: EMISSIONS, YOY COMPARISON



In comparison to 2019, Scope 1 emissions have decreased by 6%. This decrease is mainly attributed due to the decrease in fuel oil consumption by Mermaid's vessels which decreased by 6% in comparison to 2019. Similarly, Scope 2 emissions have decreased by 20% when compared to 2019. The decrease in Scope 2 emissions for the current reporting period is in line with the decrease in purchased electricity consumption (21%) in comparison to 2019.

EXHIBIT 5: ELECTRICITY USAGE BY SOURCE



² Others include Singapore, Indonesia, Republic of South Africa

ENVIRONMENTAL IMPACTS: EMISSIONS TO AIR

Mermaid conducts environmental assessments to determine environmental aspects that cover the company's exposure to risks. Mermaid considers impacts from emissions to air, release to water, waste management, land contamination, use of raw materials and natural resources, and other local environmental and community issues to be focus areas. Mermaid has a designated team to record a performance on environmental aspects across company vessels and at the company's onshore working locations in a process workflow form describing the 'Evaluation of Significant Aspects'.

Emission of Nitrogen oxides (NOx) and Sulphur Oxides (SOx) to the atmosphere has detrimental effects on humans and the ecosystem. The potential environmental impacts include global warming, ozone depletion, acidification, etc. To further its effort to safeguard the environment, Mermaid has vessels installed with the equipment necessary to avoid pollution to air in compliance with the MARPOL guidelines. The International Maritime Organization regulates emissions of Ozone Depleting Substances (ODS), NOx, SOx, and Volatile organic compounds (VOCs) from ships through MARPOL 73/78 Annex VI. Adhering to MARPOL guidelines, Mermaid's Pollution Prevention Protocol sets boundaries and requirements for company equipment to limit emissions of certain key pollutants. These include:

- **Nitrogen oxides (NOx)** – Diesel engine usage is prohibited unless NOx emissions are within the g/kWh limits for rated engine speed as defined within the MARPOL (International Convention for the Prevention of Pollution from Ships) Annex VI NOx Technical Code. When using fuel composed of blends from hydrocarbons derived from petroleum refining, test procedure, and measurement methods shall be in accordance with the NOx Technical Code, taking into consideration the Test Cycles and Weighting Factors. Diesel engines for installation on a ship constructed on or after 1 January 2016 are subject to IMO Tier III requirements when the ship is operating in a NOx Tier III emission control area (NOx ECA) designated under Regulation 13 of MARPOL Annex V. Mermaid's vessels meet Tier III Nox standards and 2020 IMO targets for Sulphur content of fuel consistent with ECA in all regions (0.1%).
- **Sulphur oxides (SOx)** – the Sulphur content of any fuel oil used onboard ships may not exceed 3.5% m/m. The average Sulphur content of fuel oil supplied for use onboard ships is monitored and SOx Emission Control Areas are observed under MARPOL – Sulphur content under these areas may not exceed 1% m/m.

Mermaid's fleet consumed 9,079 m³ of fuel oil for electricity generation on ships in 2020. In comparison to 2019, fuel oil consumption decreased by 6%. Additionally, Mermaid also focused on improving awareness of the benefits of energy efficiency that also resulted in a decrease in fuel oil consumption. Fuel oil consumption has resulted in 994 tonnes of SOx emissions and 1,038 tonnes of NOx. Exhibit 6 below details fuel usage and associated air pollutants.

EXHIBIT 6: FUEL OIL USAGE AND ASSOCIATED AIR POLLUTANTS

	Units	2020	2019	2018	2017
Fuel Oil Consumption	m ³	9,079	9,692	11,697	10,971
SOx	Tonnes	994	1,061	1,247	1,199
NOx	Tonnes	1,038	1,108	1,302	1,221

6 CLEAN WATER AND SANITATION



The following material topics and metrics are discussed under SDG 6 (Clean Water and Sanitation):

TOPIC	ACCOUNTING METRIC
Water Consumption	<p>Average volume of freshwater used per volume of gas or oil extracted by (1) fresh water (2) recycled water.</p> <p>Description of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts.</p>

ENVIRONMENTAL IMPACTS: WATER CONSUMPTION

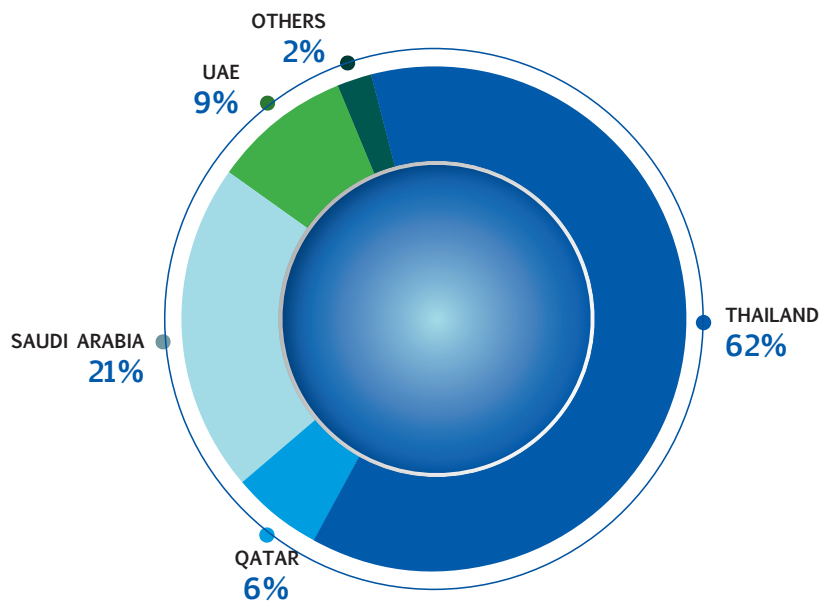
Mermaid views sustainability as synonymous with strong business fundamentals. In accordance with SDG 6 (Clean Water and Sanitation), Mermaid manages its water footprint by both ensuring the efficient usage of water and the management of produced wastewater. In 2020, Mermaid vessels installed an additional water treatment unit to achieve better water efficiency and realize potential cost savings by reducing water waste.

Mermaid does not operate in regions where fresh water is scarce. Water used in the production process is seawater and water consumed on the platform is predominantly desalinated. Discharges of waste-water overboard are exercised in accordance with MARPOL 73/78 Regulations for the Prevention of Pollution by Sewage from Ships. The volume of freshwater consumption in Mermaid warehouse operations for 2020 is 2,876 m³, and for its vessel operations is 5,967 m³. Of the total water consumption, Mermaid Vessels (Endurer, Asiana, and Sapphire) consumed 67% and the remaining 33% was consumed by the company's warehouses. Exhibit 7 below details purchased water consumption and Exhibit 8 details water consumption by geography for Mermaid's warehouses.

EXHIBIT 7: SUPPLIED WATER CONSUMPTION

	Units	2020	2019	2018	2017
Purchased water consumption	m ³	2,876	3,605	7,456	8,219

EXHIBIT 8: WATER CONSUMPTION BY GEOGRAPHY FOR MERMAID WAREHOUSES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



The following material topics and metrics are discussed under the SDG 12 on Responsible Consumption and Production:

TOPIC	ACCOUNTING METRIC
Chemicals Management	Description of strategy or plans to address chemical-related risks, opportunities, and impacts from operations.
Effluents and Waste	Total number and volume of significant spills.
	Total weight of waste and type by disposal method.

ENVIRONMENTAL IMPACTS: CHEMICAL RISK MANAGEMENT

Mermaid has detailed risk management policies in place for 31 commonly used or potentially hazardous chemicals and substances used within its activities. Each Material Safety Data Sheet details the substance and its supplier, composition/physical and chemical properties and associated hazards, first aid, firefighting, and accidental release response methods, appropriate handling, transport, and storage based on substance reactivity or toxicology.

The Material Safety Data Sheet also details the regional or local regulations each substance is subject to and measures taken to ensure ongoing compliance. Risk and hazard assessment terminology is also aligned with the European Union's Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") Regulation as well as relevant Thai regulation.

ENVIRONMENTAL IMPACTS: WASTE GENERATION AND DISPOSAL

In accordance with SDG 12 (Responsible Consumption and Production), Mermaid is conscious of the need to preserve the marine environment. The Company generates both hazardous and non-hazardous waste. It adheres to ISO14001 requirements and guidelines for vessel-specific garbage management plans. Additionally, the Company operations and vessel procedures are aligned with Annex V of MARPOL 73/78 on the prevention of pollution from waste management.

The procedure for the management of waste produced during vessel operations is divided into the following activities: reviewing the facilities from where waste is generated, the types of waste generated, waste collection, processing and storage of waste generated, recording the waste quantities, and finally disposal of waste through appropriate channels. The method of waste disposal is dependent upon the nature of the waste, the facilities, and the availability of suitable reception facilities, and the sensitivity of the area of operation.

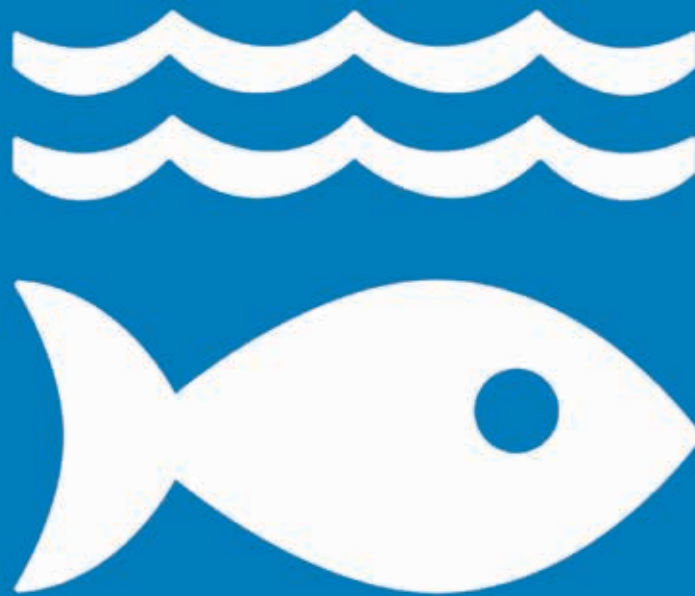
Under Mermaid's pollution prevention policy, the Company provided protective containers or skips to its vessels such that pollution caused by the discharge of chemicals, plastics, including synthetic ropes, synthetic fishing nets, and plastic garbage bags, is prevented. Mermaid's waste impacts predominantly occur within its vessel fleet, where 594 tonnes of waste was generated in 2020. These ranged from high volume but relatively low impact forms of waste (such as paper) to wastes with a much higher environmental impact (e.g. incineration of 291 tonnes of sludge). The fleet also disposed of relatively large amounts of plastic (130 tonnes) and paper waste (24 tonnes). The bulk of waste is disposed of onshore and goes to landfill, or in the case of scrap metal, collected for reuse by an onshore contractor. In 2020, the total waste generated decreased by 9% from 600 tonnes in 2019 to 548 tonnes. Exhibit 9 below describes vessel waste type by volume and disposal pathway.

EXHIBIT 9: VESSEL WASTE VOLUMES BY TYPE AND DISPOSAL METHOD

Waste type	2020 (tonnes)	2019 (tonnes)	2018 (tonnes)	2017 (tonnes)	Disposal method
Sludge	107	110	82	149	Treated
Bilge water	90	70	55	89	Onshore processing
Waste Oil	93	71	49	38	Onshore processing
Plastic	130	135	57	50	Onshore processing
Paper	24	39	52	44	Onshore processing
Food waste	38	44	28	25	Onshore processing
Metals	4	5	13	21	Onshore processing
Soda lime	12	9	10	12	Onshore processing
Wood	5	6	10	9	Onshore processing
Electronic waste	0.9	0.3	2	2	Onshore processing
Paint and paint waste	2	2	1	1	Onshore processing

In addition to vessel waste, 129 tonnes of office waste was generated in 2020, which represents 18% of the total waste generated in the reporting period. This represents a mix of domestic waste categories such as food, paper, plastic, and other daily use wastes.

14 LIFE BELOW WATER



The following material topics and metrics are discussed under the SDG 14 (Life below Water):

TOPIC	ACCOUNTING METRIC
Ecological Impact Management	Description of strategy or plan to address risks and opportunities relating to ecological impacts from core activities.

ENVIRONMENTAL IMPACTS: ECOLOGICAL IMPACTS

The careful management of operations to reduce the direct and cumulative impacts of operations to biodiversity and the stakeholders who rely on it for their livelihoods is key to Mermaid, its investors, and other stakeholders. In accordance with SDG 14 (Life below Water), Mermaid's subsea vessels and subsea equipment ensure the prevention of marine pollution, including a significant reduction of exposure of marine debris and nutrient pollution. For 2020, Mermaid maintained the same result as 2019 with no significant spills recorded from all its operations in Thailand, Singapore, Qatar, Saudi Arabia, and the United Arab Emirates.

5 GENDER EQUALITY



3 GOOD HEALTH AND WELL-BEING



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



8 DECENT WORK AND ECONOMIC GROWTH



The following material topics and metrics are discussed under the SDG goal 3 (Good Health and Well-Being); SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 16 (Peace, Justice and Strong Institutions):

TOPIC	ACCOUNTING METRIC
Health, Safety and Emergency Management	(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, (3) Near Miss Cases, and (4) Total Vehicle Incident Rate (TVIR). Emergency preparedness policies are in place and aligned with industry standards. Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and project lifecycles, including site and asset security procedures.
Employment Practices	Report policies, practices, and standards for all workers (including contractors, subcontractors, and migrant labor) relating to (1) Working conditions, (2) Working hours, (3) Compliance to labor laws.
Anti-corruption	Report anti-corruption policy, including commitments to work against corruption in all its forms (including bribery and extortion), to be in compliance with relevant laws.

SOCIAL IMPACTS: ONSITE HEALTH AND SAFETY MANAGEMENT

In accordance with SDG 3 (Good Health and Well-being) and SDG 8 (Decent Work and Economic Growth), operational excellence and a strong safety management framework are at the core of Mermaid's value proposition to its clients and the basis of its longstanding relationships. A safe and healthy workplace for all employees, subcontractors, suppliers, partners, and other stakeholders is a continuous point of attention.

The Company has a Safety, Health, and Environment Policy. A chart outlining the relevant KPIs for Mermaid's safety performance in 2020 is detailed in Exhibit 10. Exhibit 11 outlines the types and details of safety meetings planned as part of the company's regular operations. Mermaid uses a number of rigorous safety programs to strengthen the safety culture by making process and occupational safety improvements on an ongoing basis. For example, the company's behavior based safety program includes; a time out for safety process, a safety observation card system, a safety award system, and stop work authority. Such programs, coupled with the statistical data gathering systems, the setting of key performance indicators and incident reporting, enable the company to record any health and safety performance issues.

At the core of this is the Safety Health Environment Quality and Security ("SHEQS") management system, which is compliant with the requirements of ISM, ISO9001, ISO14001, and OHSAS 18001. Mermaid is also an accredited IMCA Member for its diving, marine, remote systems, and remote operated vehicles, as well as bell and saturation diving activities. In association with International Marine Contractors Association (IMCA), the company ensures regular dissemination of Safety Flash material that helps to continue to promulgate safety best practices across the fleet and shore-based facilities. Mermaid also has detailed Emergency Response Planning for the current known operational footprint such as from diving decompression emergencies, regular medical emergencies, MediVacs, earthquakes, civil unrest, etc.

Mermaid aims to continue to maintain the highest safety standards with continuous efforts from all its stakeholders. This ensures that all employees and contractors strive for excellence in their safety. The Total Recordable Injury Rate (TRIR) for 2020 is 0.23. There were five Near Miss Cases recorded and zero fatalities or vehicle incidents in 2020 to date. All incidents were carefully addressed with due investigation and reporting. At a minimum, Mermaid conducts daily, weekly and monthly meetings to focus on the health and safety of its employees and contractors. The details of these meetings are highlighted in Exhibit 11.

EXHIBIT 10: HEALTH AND SAFETY KEY PERFORMANCE INDICATORS

OSHA Indicator	2020	2019	2018	2017
Total Recordable Injury Rate	0.23 (2 cases x 200,000/1,402,54)	0.92 (10 cases x 200,000 /2,185,326 man-hours)	0.51 (6 cases x 200,000/2,368,292 man-hours)	1.29 (13 cases x 200,000 /2,004,403 man-hours)
Total Fatality Rate	0	0	0	0
Near Miss Cases	6 cases	8 cases	10 cases	8 cases
Vehicle Incident Rate	0	0	0	0

EXHIBIT 11: SAFETY MEETINGS

Daily / per shift	All operational locations complete Job Hazard Assessment, Risk Assessment, and Tool Box Talk in each shift and during shift handover.
Weekly / Safety / Operational (onsite and at Office units)	All operational locations complete Weekly / Safety / Operational meetings. Time Out for Safety recommendations are also part of these weekly safety briefings.
Monthly / SCM and ZIP (Zero Incident Program)	All operational locations ensure Monthly SCM (Safety Committee Meeting) are held at all locations - and Zero Incident Program meetings are conducted to discuss potential hazards, the effectiveness of current programs, and general safety performance.

SOCIAL IMPACTS: DIVERSITY AND INCLUSION

In-line with Mermaids people-centric strategy the company plans to attract, retain and motivate its talented employees, consistently and holistically. Mermaid recognizes the need to ensure an inspiring, diverse and inclusive work environment, in which highly committed employees contribute to sustainable business growth and results. In 2019, Mermaid established an 'Anti-Harassment and Discrimination' policy. The policy opposes and avoids all forms of unlawful discrimination or bullying on the grounds of gender, gender identity, race, religion, nationality, disability, and age.

Women make up 30% of Mermaid's global workforce, and men 70%. Mermaid's representation of gender diversity is presented in Exhibit 12. Mermaid strives to focus on reaching a greater workforce representation of women globally. In terms of diversity of nationality, Mermaid's workforce represents employees belonging to more than 15 different nationalities. The Company's global representation of the workforce nationality of its employees is presented in Exhibit 13. Age diversity is another area of focus for Mermaid – 76% of employees fall within the 30-50 age category, with a comparatively smaller proportion of employees under 30 and over 50. This is partly attributable to the specialist nature of the business and its services. Management diversity is another issue of key importance to the sector, in terms of ensuring an adequate breadth of experience, whilst continuing to ensure that management selection is based on merit. In FY2020, Mermaid's management was 81% male and 19% female in composition, with 76% of the management aged 30-50 and 19% over 50.

EXHIBIT 12: GENDER DIVERSITY OF EMPLOYEES

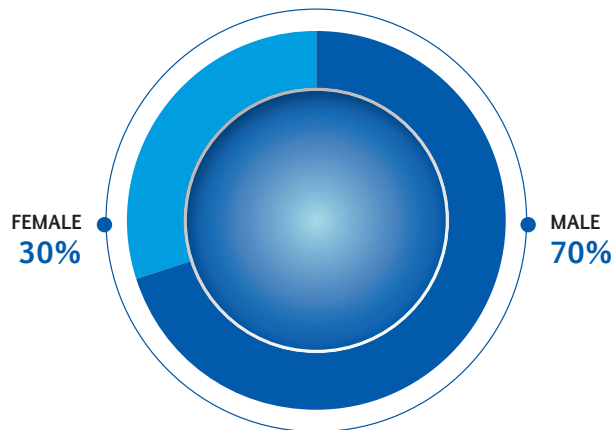
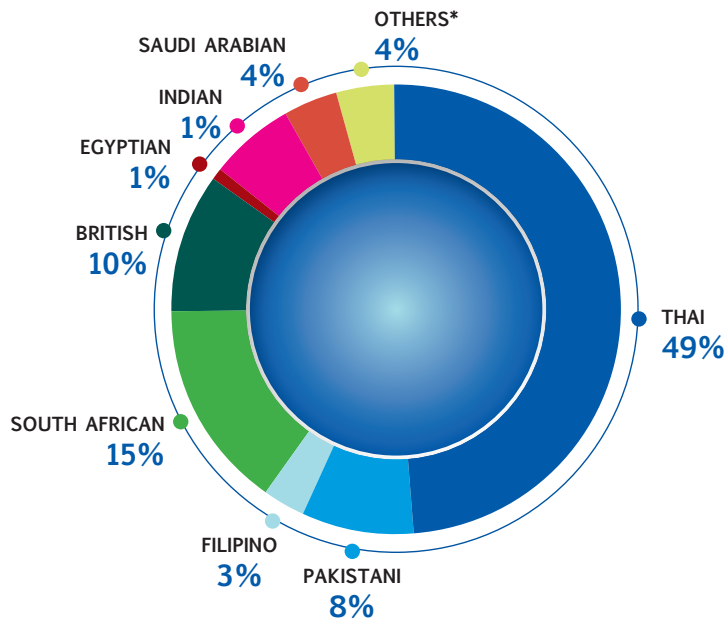
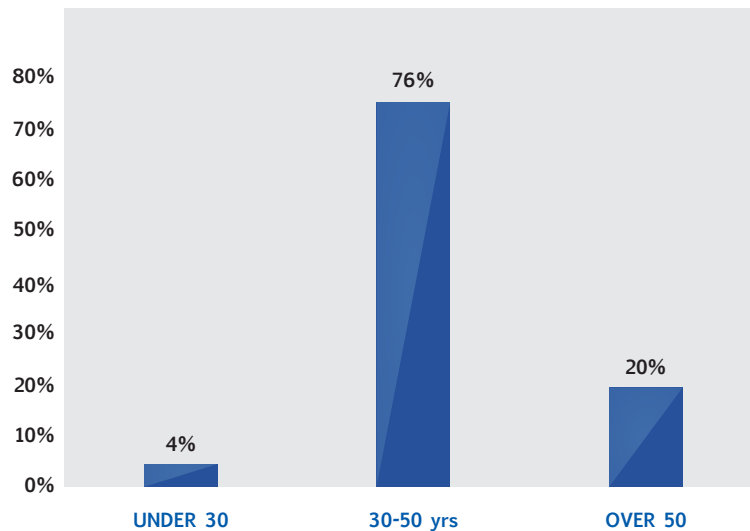


EXHIBIT 13: DIVERSITY BY NATIONALITY



Others* represent employees belonging to the following nationalities; Dutch, Syrian, American, Sunadi, Sri Lankan, New Zealander

EXHIBIT 14: DIVERSITY BY EMPLOYEE AGE GROUP



SOCIAL IMPACTS: TRAINING AND DEVELOPMENT

Mermaid continues to develop internal guidance and training tailored to the specific needs of the market and regions. In 2020, the Company spent 220,735 THB on training employees. In accordance with “Training and Development” policy that will guide the Company’s efforts to helping individuals and the Company to achieve its goals. As per the ‘Training and Development’ policy, employees are provided with on-going learning opportunities in line with their roles, and career aspirations. Employee training is an essential element of quality and risk management and a Company-wide training target of 3% of overall man-hours is set each year.

Mermaid organized training programs in the following areas; technical, professional, safety, and emergency preparedness, environmental awareness, computer communication skills, management, and supervisory training. Additionally, to support career development Mermaid conducts yearly performance reviews for all its employees. These reviews are backed by procedures to evaluate employees fairly and to identify development opportunities. In 2020, 100% of the company’s employees received regular performance reviews which involved the discussion of company performance, departmental and individual KPIs, and future career development planning. The company also conducted the yearly appraisal in which it supported the development and progress of its current employees.

GOVERNANCE: EMPLOYMENT PRACTICES

The Company introduced several detailed policies in the previous year applicable to Mermaid vessels and shore-based operations. For example, the Company’s ‘Industrial Relations’ policy serves to comply with the requirements of the labor laws prescribed in each geography. These in turn enhance stringent management actions such as co-operating effectively with the appropriate labor bodies, employee representative bodies, and grievance redressal groups. The Company’s policy on fatigue establishes that the maximum period that can be worked offshore by any senior employee or contractor will be 60 days offshore and 30 days onshore. The maximum shift that can be worked offshore is 12 hours in 24 hours, followed by a minimum of 10 hours of rest. All senior personnel are trained to recognize signs of sleep deprivation or fatigue.

GOVERNANCE: BUSINESS ETHICS

Mermaid is set to operationalize joint ventures and has plans to establish several indirect majority-owned subsidiaries. Mermaid recognizes that, as organizations grow increasingly globalized and networked leaders need to pay particular attention to ethics. Business ethics is more than protecting the organization from regulatory scrutiny. In today's business climate, ethics is used towards building and fostering a culture of integrity.

Good corporate governance practices such as anti-corruption and fraud prevention are of high priority on the Company's agenda. Mermaid established an anti-corruption policy governed by its Board of Directors and its Executive Committee. The policy sets out in practical terms the responsibilities of employees in maintaining zero-tolerance against all forms of corruption and bribery. The anti-corruption policy also serves as guidance to recognize, resolve, and prevent instances of corruption and bribery that may arise in the course of work.

TARGETS AND POLICIES

ENVIRONMENTAL:

Target area	ADOPTION		
	PHASE 1 (2019)	PHASE 2 (2020)	PHASE 3 (2025)
Reducing NOx and SO ₂ emissions from fuel oil	<p>Ensure all engines meet Tier II NOx standards and 2020 IMO targets for Sulphur content of the fuel (0.5%).</p> <p>Status: Target met</p> <p>Mermaid's vessels meet the meet Tier II NOx standards and 2020 IMO targets for Sulphur content of the fuel (0.5%).</p>	<p>Ensure all engines meet Tier III NOx standards and 2020 IMO targets for Sulphur content of fuel consistent with ECA in all regions (0.1%).</p> <p>Status: Target Met</p> <p>Mermaid's vessels meet Tier III Nox standards and 2020 IMO targets for Sulphur content of fuel consistent with ECA in all regions (0.1%).</p>	<p>Implement an exhaust gas cleaning system to limit SO₂ emissions to below 6g/kWhr and explore LNG use to abate NOx and CO₂ emissions.</p>
Sludge generation and disposal	<p>Ensure all sludge is collected and treated rather than incinerated.</p> <p>Status: In progress</p> <p>Mermaid collected and treated the majority of the sludge generated in 2019. However, a small proportion of the sludge generated was incinerated on-shore due to the lack of an available agency to manage the treatment of the sludge in some areas.</p>	<p>Implement a sludge management plan for all vessels to ensure sludge generation is reduced by 25% on the 2017 baseline.</p> <p>Status: In Progress</p> <p>Mermaid has been implementing a sludge management plan by concentrating on maintenance to ensure the sludge generation will be reduced to the minimum level.</p>	<p>Explore energy recovery from sludge.</p>

Target area	ADOPTION		
	PHASE 1 (2019)	PHASE 2 (2020)	PHASE 3 (2025)
Energy demand reduction on vessels	<p>Achieve a 5% reduction in energy consumption by the vessel fleet.</p> <p>Status: Target met</p> <p>Mermaid achieved a 17% decrease in fuel and energy consumption of its vessel fleet.</p>	<p>Achieve a 10% reduction in energy consumption by the vessel fleet.</p> <p>Status: In progress</p> <p>Mermaid achieved a 6% decrease in fuel and energy consumption of its vessel fleet due to high performance in FY2020, however, it decreased energy consumption by 22% in comparison to FY2018.</p>	<p>Achieve a 15% reduction in energy consumption by vessel fleet in line with ETI targets.</p>
Measure and mitigate impacts on the marine environment	<p>Undertake a Strategic Environmental Assessment (SEA) of operational impacts on marine ecology.</p> <p>Status: Delayed</p> <p>Mermaid has a responsible team to monitor and manage environmental impacts. As a best practice, the company plans to consider the implementation of SEA of operational impacts on marine ecology in the current financial year.</p>	<p>Ensure 1 FTE employee is assigned to assessing impacts from subsea and other operations on marine ecology.</p> <p>Status: Target met</p> <p>Mermaid has a team assigned for monitoring standard requirements related to marine ecology, and this process includes assessing impacts from subsea and other operations.</p>	<p>Ensure 2 FTE employees are assigned to measuring and mitigating ecological impacts from Subsea Services.</p>

SOCIAL:

TARGET AREA	ADOPTION		
	PHASE 1 (2019)	PHASE 2 (2020)	PHASE 3 (2025)
Employee upskilling	<p>Achieve a 5% man-hours Companywide training target focusing on skills and QHSE.</p> <p>Status: Target met</p> <p>Mermaid achieved its target by imparting training in the following areas; technical, professional, safety, and emergency preparedness, environmental awareness, computer communication skills, management, and supervisory training.</p>	<p>Achieve a 6% Companywide training target focusing on skills and QHSE.</p> <p>Status: Target met</p> <p>Mermaid achieved a 6% companywide training target focusing on skills and QHSE</p>	<p>Achieve a 7% Companywide training target focusing on skills and QHSE.</p>
Age balance	<p>Implement an outreach programme to ensure better representation of under 30s in new recruitment.</p> <p>Status: In progress</p> <p>In the past year, hiring took place to fill positions of experienced hires only. The company plans to take forward the representation of junior staff on a need basis.</p>	<p>Increase the number of employees under 30 to 20% of the total workforce.</p> <p>Status: In progress</p> <p>In the past year, hiring took place to fill positions of experienced hires only. The company plans to take forward the representation of junior staff on a need basis.</p>	<p>Increase the number of employees under 30 to 25% of the total workforce.</p>

GOVERNANCE:

TARGET AREA	ADOPTION		
	PHASE 1 (2019)	PHASE 2 (2020)	PHASE 3 (2025)
Management diversity	<p>Ensure any changes to top management composition work to increase female representation.</p> <p>Status: In progress</p> <p>In 2019, there was only one new hire in the management category. Mermaid's policies ensure that the recruitment process is fair to all genders.</p>	<p>Increase female top management membership year on year.</p> <p>Status: In progress</p> <p>In 2020, there were changes in the management category but Mermaid's policies ensure that the recruitment process is fair to all genders.</p>	<p>Ensure 25% of top management is female.</p>
Business ethics	<p>Ensure all existing and incoming staff are provided with training on Mermaid's Global Anti Bribery and Corruption policies.</p> <p>Status: In progress</p> <p>Mermaid plans to conduct training on Anti Bribery and Corruption in the near future. Since 2019, The company has focused on creating awareness on this topic and encouraged employees to be cognizant of its importance to Mermaid.</p>	<p>Produce awareness materials for suppliers of Mermaid's Global Anti Bribery and Corruption policies.</p> <p>Status: In progress</p> <p>Mermaid ensures that the suppliers are briefed about Anti Bribery and Corruption according to company procedures.</p>	<p>Develop a screening checklist of Bribery and Corruption concerns for suppliers, including assessment of compliance with the Modern Slavery Act.</p>

MERMAID MARITIME PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

AND INDEPENDENT AUDITOR'S REPORT

/// INDEPENDENT AUDITOR'S REPORT



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To the Shareholders of Mermaid Maritime Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries (the "Group") and of Mermaid Maritime Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



The impairment testing of property, plant and equipment, goodwill and investment in subsidiaries	
Refer to Notes 3, 7, 8, 10, and 11 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As the exploration and offshore businesses are in downturn which influenced the expenditure of the Group's customers on oil and gas exploration and production activities, which resulted in lower utilisation and day rate for subsea and offshore services. This is an indicator of impairment of property, plant and equipment and goodwill in the consolidated financial statements, and of investment in subsidiaries in the separate financial statements.</p> <p>To determine the recoverable amount of a vessel, management considered the higher of the vessel's value-in-use and its fair value less costs to sell.</p> <p>Management used the work of an independent valuer to evaluate the fair value less costs to sell of certain vessels.</p> <p>Management also used the discounted cash flow forecast method to estimate the value-in-use. In estimating the valuation, there are assumptions used for the estimation of future cash flows such as future profit, useful life and discounted rate to be applied for the basis of assessing the valuation which contains inherent uncertainty. Therefore, this is a key area of judgment on which my audit was focused.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • making inquiries of management and obtaining related documents to understand the process by which management has derived its value-in-use estimates; • comparing forecast revenues to those achieved in prior periods; • evaluating the discounted cash flow forecast methodology and key assumptions applies in estimating the discount rate, such as cost of debt; • performing sensitivity tests by carrying key assumptions; • assessing the competency and independence of management's fair value less costs to sell valuer; and • considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party	
Refer to Notes 3, 4 and 22 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Company has recognized expected credit losses (ECL) on financial instruments which involves significant judgement in estimation by the Company.</p> <p>The Company measured expected credit losses on other accounts receivables, short-term loans to related parties and long-term loan to related party are based on management's estimate of the lifetime expected credit loss, which involves significant management judgement, including the estimates of probability of default, loss given default, discount rate, and adjustments for forward looking information, and the result might have had significant impact to the separate financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls over the measurement of expected credit losses and estimation of allowance for expected credit losses; • performing sensitivity testing, using the Company's models, to evaluate the impact of varying key assumptions within a reasonably possible range. This enabled to critically challenge the Company's quantification of assumptions and focus my procedures to the most sensitive assumptions;



Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party	
Refer to Note 3, 4 and 22 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
I identified the measurement of expected credit losses as a key audit matter because other accounts receivable, short-term loans to related parties and long-term loan to related party are material to the Company and the recognition of expected credit loss requires the exercise of significant management judgement.	<ul style="list-style-type: none"> • assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable, including interdependent and internally consistent for that accounting estimate; • testing the calculation of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party and evaluating the accuracy of their balances; • considering the adequacy of disclosures in accordance with Thai financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Siripen' followed by a stylized flourish.

(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2021

STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

		Consolidated financial statements			
		31 December		31 December	
Assets	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current assets</i>					
Cash and cash equivalents	5, 22	37,756	22,496	1,134,081	678,344
Current investments	22	9,714	12,207	291,780	368,090
Trade and other accounts receivable	4, 22	35,296	48,038	1,060,191	1,448,538
Short-term loan to related party	4	-	5,371	-	161,957
Supplies and spare parts		354	619	10,633	18,665
Total current assets		83,120	88,731	2,496,685	2,675,594
<i>Non-current assets</i>					
Restricted deposit at financial institutions	6	9,193	11,268	276,131	339,775
Investment in associate	7	22,407	122,360	673,041	3,689,643
Investment in joint ventures	7	1,571	1,577	47,188	47,553
Investment properties	9	492	539	14,778	16,253
Long-term loan	22	-	-	-	-
Property, plant and equipment	10	143,191	145,207	4,301,043	4,378,572
Right-of-use assets		382	-	11,474	-
Goodwill	11	-	2,066	-	62,298
Intangible assets		13	55	390	1,658
Deferred tax assets	20	54	2,139	1,622	64,499
Other non-current assets		84	106	2,523	3,196
Total non-current assets		177,387	285,317	5,328,190	8,603,447
Total assets		260,507	374,048	7,824,875	11,279,041

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

Consolidated financial statements					
Liabilities and equity	<i>Note</i>	31 December		31 December	
		2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>					
Short-term borrowings from					
financial institutions	12	-	244	-	7,358
Trade and other accounts payable	4	22,443	28,271	674,123	852,485
Current portion of long-term borrowings	12, 22	13,544	11,953	406,822	360,431
Current portion of lease liabilities	12	206	-	6,188	-
Current income tax payable		509	692	15,289	20,867
Total current liabilities		36,702	41,160	1,102,422	1,241,141
<i>Non-current liabilities</i>					
Long-term borrowings	12, 22	43,869	43,846	1,317,698	1,322,132
Lease liabilities	12	222	-	6,668	-
Provisions for employee benefits	13	2,411	2,049	72,419	61,786
Total non-current liabilities		46,502	45,895	1,396,785	1,383,918
Total liabilities		83,204	87,055	2,499,207	2,625,059

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

		Consolidated financial statements			
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Equity					
Share capital:					
Authorized share capital					
<i>(1,416,700,697 ordinary shares, par value at Baht 1 per share)</i>		-	-	1,416,701	1,416,701
Issued and paid share capital					
<i>(1,413,328,857 ordinary shares, par value at Baht 1 per share)</i>		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	14	343,536	343,536	12,271,678	12,271,678
Deficit		(211,082)	(101,337)	(8,571,050)	(5,132,025)
Other components of equity	15	(2,196)	(2,196)	225,892	116,872
Equity attributable to owners of the parent		177,580	287,325	5,339,849	8,669,854
Non-controlling interests		(277)	(332)	(14,181)	(15,872)
Total equity		177,303	286,993	5,325,668	8,653,982
Total liabilities and equity		260,507	374,048	7,824,875	11,279,041

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

Assets	Note	Separate financial statements			
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current assets					
Cash and cash equivalents	5, 22	26,128	3,875	784,809	116,847
Other accounts receivable	4, 22	455	122,498	13,667	3,693,804
Short-term loans to related parties	4, 22	-	49,945	-	1,506,041
Total current assets		26,583	176,318	798,476	5,316,692
Non-current assets					
Investment in associate	7	22,507	22,507	676,045	678,676
Investment in joint venture	7	213	213	6,398	6,423
Investments in subsidiaries	8	55,362	156,959	1,662,914	4,732,942
Other non-current receivable to related party	4, 22	19,666	-	590,710	-
Long-term loan to related party	4, 22	36,397	-	1,093,260	-
Investment properties	9	1,654	1,826	49,681	55,061
Property, plant and equipment	10	108	115	3,245	3,468
Right-of-use assets		379	-	11,384	-
Intangible assets		5	12	150	362
Deferred tax assets	20	54	48	1,622	1,447
Other non-current assets		52	24	1,562	724
Total non-current assets		136,397	181,704	4,096,971	5,479,103
Total assets		162,980	358,022	4,895,447	10,795,795

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

Liabilities and equity	Note	Separate financial statements			
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current liabilities					
Other accounts payable	4	710	750	21,326	22,615
Current portion of lease liabilities	12	204	-	6,128	-
Total current liabilities		914	750	27,454	22,615
Non-current liabilities					
Lease liabilities	12	221	-	6,638	-
Provisions for employee benefits	13	274	242	8,230	7,297
Total non-current liabilities		495	242	14,868	7,297
Total liabilities		1,409	992	42,322	29,912
Equity					
Share capital:					
Authorized share capital <i>(1,416,700,697 ordinary shares, par value at Baht 1 per share)</i>		-	-	1,416,701	1,416,701
Issued and paid share capital <i>(1,413,328,857 ordinary shares, par value at Baht 1 per share)</i>		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	14	343,536	343,536	12,271,678	12,271,678
Differences arising from common control transactions	7, 15	-	(7,406)	-	(239,757)
Deficit		(229,315)	(26,450)	(8,593,947)	(2,317,057)
Other components of equity	15	28	28	(237,935)	(362,310)
Total equity		161,571	357,030	4,853,125	10,765,883
Total liabilities and equity		162,980	358,022	4,895,447	10,795,795

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Consolidated financial statements				
	Note	Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
Revenue					
Revenue from rendering of services	4	83,779	105,933	2,616,642	3,286,044
Interest income		80	655	2,451	20,413
Net gain on foreign exchange		-	226	-	7,146
Other income	4	286	895	8,948	27,419
Total revenue		84,145	107,709	2,628,041	3,341,022
Expenses					
Costs of rendering of services	17	95,352	109,052	2,983,319	3,382,182
Administrative expenses	4, 18	24,664	23,657	770,273	732,584
Loss on disposal of investment in an associate	7	68,085	-	2,132,885	-
Net loss on foreign exchange		15	-	373	-
Finance costs		2,229	3,397	69,845	105,673
Total expenses		190,345	136,106	5,956,695	4,220,439
Share of profit (loss) of joint venture and associates accounted for using equity method, net of tax		(908)	4,756	(28,408)	147,742
Loss before income tax expense		(107,108)	(23,641)	(3,357,062)	(731,675)
Tax expense	20	2,486	575	77,267	18,046
Loss for the year		(109,594)	(24,216)	(3,434,329)	(749,721)
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		-	1	-	32
Translation adjustments		-	-	109,020	(694,635)
<i>Items that will not be reclassified to profit or loss</i>					
Loss on remeasurements of defined benefit plans	20	(96)	(2)	(3,005)	(62)
Other comprehensive income (expense) for the year, net of tax		(96)	(1)	106,015	(694,665)
Total comprehensive expense for the year		(109,690)	(24,217)	(3,328,314)	(1,444,386)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Consolidated financial statements				
	Note	Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
Profit (loss) attributable to:					
Owners of parent		(109,654)	(24,258)	(3,436,176)	(751,000)
Non-controlling interests		60	42	1,847	1,279
Loss for the year		(109,594)	(24,216)	(3,434,329)	(749,721)
Total comprehensive income (expense) attributable to:					
Owners of parent		(109,745)	(24,266)	(3,330,005)	(1,445,880)
Non-controlling interests		55	49	1,691	1,494
Total comprehensive expense for the year		(109,690)	(24,217)	(3,328,314)	(1,444,386)
Basic losses per share		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic losses per share	21	(0.0776)	(0.0172)	(2.4313)	(0.5314)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Note	Separate financial statements			
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Revenue					
Management fee income	4	420	534	13,166	16,579
Interest income	4	911	1,167	28,466	36,207
Net gain on foreign exchange		169	14,677	5,521	458,887
Other income	4	323	328	10,113	10,176
Total revenue		1,823	16,706	57,266	521,849
Expenses					
Administrative expenses	4, 18	125,365	6,728	3,858,414	206,695
Loss on debt forgiveness to a subsidiary	4	71,912	-	2,243,577	-
Loss on disposal of investment in an associate	7	7,406	-	232,006	-
Finance costs		11	-	343	-
Total expenses		204,694	6,728	6,334,340	206,695
Profit (loss) before income tax expense		(202,871)	9,978	(6,277,074)	315,154
Tax income	20	(6)	(29)	(184)	(878)
Profit (loss) for the year		(202,865)	10,007	(6,276,890)	316,032
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Translation adjustments		-	-	124,375	(810,994)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on remeasurement of defined benefit plans		-	(14)	-	(436)
Other comprehensive income (expense) for the year, net of tax		-	(14)	124,375	(811,430)
Total comprehensive income (expense) for the year		(202,865)	9,993	(6,152,515)	(495,398)
Basic earnings (losses) per share					
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings (losses) per share	21	(0.1435)	0.0071	(4.4412)	0.2236

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Consolidated financial statements

	Retained earnings/(Deficit)				Other components of equity				Total equity			
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity				
Year ended 31 December 2019												
Balance at 1 January 2019	47,322	343,536	-	(77,070)	1,195	28	(3,420)	(2,197)	311,591	(528)	311,063	
Transactions with owners, recorded directly in equity												
<i>Changes in ownership interests in subsidiaries</i>												
Disposal of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	147	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	147	
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	147	
Comprehensive income (expense) for the year												
Profit or loss	-	-	-	(24,258)	-	-	-	-	-	(24,258)	42	(24,216)
Gain (loss) on remeasurement of defined benefit plans	-	-	-	(9)	-	-	-	-	-	(9)	7	(2)
Exchange differences on translating financial statements	-	-	-	-	1	-	-	-	1	1	-	1
Total comprehensive income (expense) for the year	-	-	-	(24,267)	1	-	-	1	1	(24,266)	49	(24,217)
Balance at 31 December 2019	47,322	343,536	-	(101,337)	1,196	28	(3,420)	(2,196)	287,325	(332)	286,993	

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Consolidated financial statements

	Retained earnings/(Deficit)				Other components of equity				Total equity		
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity			
Year ended 31 December 2020											
Balance at 1 January 2020	47,322	343,536	-	(101,337)	1,196	28	(3,420)	(2,196)	287,325	(332)	286,993
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(109,654)	-	-	-	-	(109,654)	60	(109,594)
Loss on remeasurement of defined benefit plans	-	-	-	(91)	-	-	-	-	(91)	(5)	(96)
Total comprehensive income (expense) for the year	-	-	-	(109,745)	-	-	-	-	(109,745)	55	(109,690)
Balance at 31 December 2020	47,322	343,536	-	(211,082)	1,196	28	(3,420)	(2,196)	177,580	(277)	177,303

(in thousand US Dollar)

The accompanying notes form an integral part of the financial statements.



STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Consolidated financial statements											
	Issued and paid share capital	Retained earnings/(Deficit)			Translation of financial statements	Other components of equity				Equity attributable to owners of parent	Non-controlling interests	Total equity
		Share premium on ordinary shares	Legal reserve	Deficit		Share-based payment	Changes in ownership interests	Total other components of equity				
Year ended 31 December 2019												
Balance at 1 January 2019	1,413,329	12,271,678	-	(4,380,748)	931,764	874	(121,163)	811,475	10,115,734	(21,799)	10,093,935	
Transactions with owners, recorded directly in equity												
<i>Changes in ownership interests in subsidiaries</i>												
Disposal of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	4,433	4,433	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	4,433	4,433	
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	4,433	4,433	
Comprehensive income (expense) for the year												
Profit or loss	-	-	-	(751,000)	-	-	-	-	(751,000)	1,279	(749,721)	
Gain (loss) on remeasurement of defined benefit plan	-	-	-	(277)	-	-	-	-	(277)	215	(62)	
Exchange differences on translating financial statements	-	-	-	-	32	-	-	32	32	-	32	
Translation adjustments	-	-	-	-	(694,635)	-	-	(694,635)	(694,635)	-	(694,635)	
Total comprehensive income (expense) for the year	-	-	-	(751,277)	(694,603)	-	-	(694,603)	(1,445,880)	1,494	(1,444,386)	
Balance at 31 December 2019	1,413,329	12,271,678	-	(5,132,025)	237,161	874	(121,163)	116,872	8,669,854	(15,872)	8,653,982	

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Consolidated financial statements

	Retained earnings/(Deficit)		Other components of equity				Total equity				
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment interests		Changes in ownership interests	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests
Year ended 31 December 2020											
Balance at 1 January 2020	1,413,329	12,271,678	-	(5,132,025)	237,161	874	(121,163)	116,872	8,669,854	(15,872)	8,653,982
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(3,436,176)	-	-	-	-	(3,436,176)	1,847	(3,434,329)
Loss on remeasurement of defined benefit plans	-	-	-	(2,849)	-	-	-	-	(2,849)	(156)	(3,005)
Exchange differences on translating financial statements	-	-	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	109,020	-	-	109,020	109,020	-	109,020
Total comprehensive income (expense) for the year	-	-	-	(3,439,025)	109,020	-	-	109,020	(3,330,005)	1,691	(3,328,314)
Balance at 31 December 2020	1,413,329	12,271,678	-	(8,571,050)	346,181	874	(121,163)	225,892	5,339,849	(14,181)	5,325,668

(in thousand Baht)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Separate financial statements

	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity		Total equity
				Legal reserve	Unappropriated (Deficit)	Share-based payment		
Year ended 31 December 2019								
Balance at 1 January 2019	47,322	343,536	(7,406)	-	(36,443)	28		347,037
Comprehensive income (expense) for the year								
Profit	-	-	-	-	10,007	-	-	10,007
Loss on remeasurement of defined benefit plans	-	-	-	-	(14)	-	-	(14)
Total comprehensive income for the year	-	-	-	-	9,993	-	-	9,993
Balance at 31 December 2019	47,322	343,536	(7,406)	-	(26,450)	28		357,030

(in thousand US Dollar)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Separate financial statements

Note	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings/(Deficit)	Other components of equity		Total equity
					Legal reserve	Deficit	
<i>(in thousand US Dollar)</i>							
Year ended 31 December 2020							
Balance at 1 January 2020	47,322	343,536	(7,406)	(26,450)	28		357,030
Comprehensive expense for the year							
Loss	-	-	-	(202,865)	-		(202,865)
Total comprehensive expense for the year				(202,865)			(202,865)
Transfer to profit and loss	-	-	7,406	-	-		7,406
Balance at 31 December 2020	47,322	343,536		(229,315)	28		161,571

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Separate financial statements

	Retained earnings/(Deficit)					Other components of equity			Total equity
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Total other components of equity	
Year ended 31 December 2019									
Balance at 1 January 2019	1,413,329	12,271,678	(239,757)	-	(2,632,653)	447,810	874	448,684	11,261,281
Comprehensive income (expense) for the year									
Profit	-	-	-	-	316,032	-	-	-	316,032
Loss on remeasurement of defined benefit plans	-	-	-	-	(436)	-	-	-	(436)
Translation adjustments	-	-	-	-	-	(810,994)	-	(810,994)	(810,994)
Total comprehensive income (expense) for the year	-	-	-	-	315,596	(810,994)	-	(810,994)	(495,398)
Balance at 31 December 2019	1,413,329	12,271,678	(239,757)	-	(2,317,057)	(363,184)	874	(362,310)	10,765,883

(in thousand Baht)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

Separate financial statements

	Note	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Other components of equity				Total equity	
					Retained earnings/(Deficit)	Translation of financial statements	Share-based payment	Total other components of equity		
Year ended 31 December 2020										
Balance at 1 January 2020		1,413,329	12,271,678	(239,757)	-	(2,317,057)	(363,184)	874	(362,310)	10,765,883
Comprehensive income (expense) for the year										
Loss		-	-	-	-	(6,276,890)	-	-	-	(6,276,890)
Translation adjustments		-	-	-	-	-	124,375	-	124,375	124,375
Total comprehensive income (expense) for the year		-	-	-	-	(6,276,890)	124,375	-	124,375	(6,152,515)
Transfer to profit and loss	7	-	-	239,757	-	-	-	-	-	239,757
Balance at 31 December 2020		1,413,329	12,271,678	-	-	(8,593,947)	(238,809)	874	(237,935)	4,853,125

(in thousand Baht)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Consolidated financial statements			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Loss for the year	(109,594)	(24,216)	(3,434,329)	(749,721)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax expense	2,486	575	77,267	18,046
Finance costs	2,229	3,397	69,845	105,673
Depreciation	14,506	19,119	453,813	593,746
Amortisation	41	58	1,282	1,808
Unrealised gain on exchange	(463)	(121)	(14,041)	(3,935)
Loss (gain) from revaluation of trading securities	(507)	29	(16,401)	1,561
Loss from sale of trading securities	657	592	20,618	18,022
Share of (profit) loss of associates and joint ventures, net of tax	908	(4,756)	28,408	(147,742)
Impairment losses	10,006	5,078	311,579	153,763
Loss from disposal of investment in an associate	68,085	-	2,132,885	-
Reversal of losses on supplies and spare parts devaluation	-	(277)	-	(8,387)
Gains on disposals and write-offs of property, plant and equipment and intangible assets	(24)	(7)	(777)	(212)
Gain from loss of control in a subsidiary	-	(701)	-	(21,225)
Interest income	(80)	(655)	(2,451)	(20,413)
Provision for employee benefits	378	550	11,837	16,864
Loss from write-off non-refundable withholding tax	974	1,547	30,568	48,060
	(10,398)	212	(329,897)	5,908
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institutions	2,075	2,809	62,327	84,703
Trade and other accounts receivable	10,196	(11,290)	306,258	(340,439)
Supplies and spare parts	265	1,042	7,960	31,420
Other non-current assets	22	(28)	661	(844)
Trade and other accounts payable	(7,566)	5,267	(227,261)	158,822
Exchange rate losses from translating financial statements	-	1	-	32
Translation adjustments	-	-	18,817	(80,140)
Net cash used in operating activities	(5,406)	(1,987)	(161,135)	(140,538)
Provision for employee benefit paid	(109)	(42)	(3,404)	(1,317)
Taxes paid	(624)	(374)	(19,764)	(11,549)
Net cash used in operating activities	(6,139)	(2,403)	(184,303)	(153,404)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Consolidated financial statements			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>				
Proceed from sale of current investments	4,343	7,208	130,451	217,350
Acquisition of current investments	(2,000)	(2,000)	(60,074)	(60,308)
Increase in long-term loan to other party	(498)	-	(14,958)	-
Proceeds from sale of property, plant and equipment	36	24	1,081	724
Acquisition of property, plant and equipment	(10,660)	(1,515)	(320,195)	(45,683)
Proceeds from sale of interest in associate	31,000	-	931,150	-
Acquisition of interest in joint venture	(35)	-	(1,051)	-
Interest received	135	703	4,055	21,198
Net cash from investing activities	22,321	4,420	670,459	133,281
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institution	-	244	-	7,358
Repayment of short-term loans from financial institutions	(244)	-	(7,329)	-
Proceeds from long-term loans from financial institutions	7,960	-	239,095	-
Repayment of borrowings	(6,400)	(12,000)	(192,237)	(361,848)
Payment of lease liabilities	(99)	-	(2,974)	-
Finance costs paid	(2,179)	(3,351)	(68,284)	(104,239)
Net cash used in financing activities	(962)	(15,107)	(31,729)	(458,729)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	15,220	(13,090)	454,427	(478,852)
Net cash effect from loss of control in a subsidiary	-	(1,102)	-	(33,230)
Effect of exchange rates changes on cash and cash equivalents	40	204	1,310	6,527
Net increase (decrease) in cash and cash equivalents	15,260	(13,988)	455,737	(505,555)
Cash and cash equivalents at 1 January	22,496	36,484	678,344	1,183,899
Cash and cash equivalents at 31 December	37,756	22,496	1,134,081	678,344
<i>Non-cash transactions</i>				
Receivables for sales of property, plant and equipment	26	7	781	211
Payables for purchase of property, plant and equipment	1,912	242	57,431	7,297
Lease agreements for purchase of equipment	528	-	15,860	-

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Separate financial statements			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Cash flows from operating activities				
Profit (loss) for the year	(202,865)	10,007	(6,276,890)	316,032
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(6)	(29)	(184)	(878)
Depreciation	369	254	11,528	7,884
Amortization	7	9	221	282
Unrealised gain on exchange	(918)	(14,558)	(115,830)	(455,204)
Loss on disposed of investment in an associate	7,406	-	232,006	-
Loss on debt forgiveness to a subsidiary	71,912	-	2,243,577	-
Impairment losses	108,039	2,662	3,307,571	80,600
Loss from loan transfer from a subsidiary	13,373	-	427,231	-
Gains on disposal of property, plant and equipment	(26)	-	(815)	-
Interest income	(911)	(1,167)	(28,466)	(36,207)
Provision for employee benefits	32	126	1,001	3,851
Loss from write-off non-refundable withholding tax	25	-	765	-
	(3,563)	(2,696)	(198,285)	(83,640)
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institution	-	4,375	-	131,924
Receivables from related parties	50,701	(957)	1,522,911	(28,857)
Other accounts receivable	57	31	1,712	934
Other non-current assets	(19,694)	(13)	(591,551)	(392)
Other accounts payable	(78)	4	(2,342)	121
Translation adjustments	-	-	90,879	(1,665)
Net cash generated from operating activities	27,423	744	823,324	18,425
Taxes paid	(27)	(46)	(845)	(1,430)
Net cash from operating activities	27,396	698	822,479	16,995
Cash flows from investing activities				
Increased in short-term loans to related party	(5,000)	-	(150,186)	-
Proceeds from repayment of short-term loans to related party	-	1,300	-	39,200
Proceeds from sale of property, plant and equipment	26	-	781	-
Acquisition of property, plant and equipment	(47)	(35)	(1,412)	(1,055)
Interest received	5	39	150	1,176
Net cash from (used in) investing activities	(5,016)	1,304	(150,667)	39,321
Cash flows from financing activities				
Payment of lease liabilities	(97)	-	(2,914)	-
Net cash used in financing activities	(97)	-	(2,914)	-
Net increase in cash and cash equivalents, before effect of exchange rates	22,283	2,002	668,898	56,316
Effects of exchange rate changes on cash and cash equivalents	(30)	121	(936)	3,679
Net increase in cash and cash equivalents	22,253	2,123	667,962	59,995
Cash and cash equivalents at 1 January	3,875	1,752	116,847	56,852
Cash and cash equivalents at 31 December	26,128	3,875	784,809	116,847
Non-cash transactions				
Lease agreements for purchase of equipment	522	-	15,679	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Mermaid Maritime Public Company Limited and Its Subsidiaries
For the year ended 31 December 2020

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2021.

1 General information

Mermaid Maritime Public Company Limited (the “Company”) is a public company limited which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited. The Company’s registered office at 26/28-29 Orakarn Building, 9th floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand.

The Company and its subsidiaries, the “Group”, provide a wide range of services to the offshore oil & gas industries. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle (“ROV”) systems and ownership and operations of a fleet of offshore service vessels and tender drilling rigs.

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

Details of the Company’s subsidiaries, associates, and joint venture as at 31 December 2020 and 2019 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2020	31 December 2019
<i>Subsidiaries</i>				
Mermaid Subsea Services (Thailand) Ltd., which has five subsidiaries and one joint venture as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Thailand	100.0	100.0
<i>Subsidiaries</i>				
Seascope Surveys Pte. Ltd.,	Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Offshore Services Pte. Ltd.	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Subsea Services (Malaysia) Sdn. Bhd. ⁽¹⁾	”	Malaysia	45.0	45.0
Mermaid Subsea Services (UK) Ltd.	”	United Kingdom	100.0	-
Mermaid-MOE JV Co., Ltd. (formerly Mermaid-Meindo JV Co., Ltd.)	Offshore transportation, installation and decommissioning services	Thailand	100.0	-

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2020	31 December 2019
<i>Joint venture</i>				
ZeaQuest Co., Ltd.	Robotics and artificial intelligence developer and commercial subsea engineering service provider	Thailand	50.00	-
Mermaid Drilling Ltd., which has three subsidiaries as follows:	Production and exploration drilling services	Thailand	95.0	95.0
MTR - 1 Ltd.	Drilling services	Thailand	95.0	95.0
MTR - 2 Ltd.	"	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd. ⁽²⁾	"	Malaysia	95.0	95.0
Mermaid Maritime Mauritius Ltd., which has one subsidiary as follows:	Investment holding	Mauritius	100.0	100.0
Mermaid International Ventures, which has three subsidiaries and four associates as follows:	"	Cayman	100.0	100.0
<i>Subsidiaries</i>				
Mermaid Subsea Services (International) Ltd., which has two subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Seychelles	100.0	100.0
Mermaid Subsea Services Saudi Arabia Co., Ltd.	"	Saudi Arabia	95.0	95.0
Mermaid Subsea Services LLC ⁽¹⁾	"	Qatar	49.0	49.0
<i>Associates</i>				
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Drilling services	Bermuda	-	33.76
Asia Offshore Rig 1 Limited	"	Bermuda	-	33.76
Asia Offshore Rig 2 Limited	"	Bermuda	-	33.76
Asia Offshore Rig 3 Limited	"	Bermuda	-	33.76
<i>Associates</i>				
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00
<i>Joint venture</i>				
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00

⁽¹⁾ Group interest is 100% after taking account of nominee holdings.

⁽²⁾ Mermaid Drilling (Malaysia) Sdn. Bhd. has been registered for the liquidation.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS 16 Leases which impact on the financial statements is as follows:

<i>Impact from the adoption of TFRS16</i>	Consolidated financial statements <i>(in thousand US Dollar)</i>	Separate financial statements
<hr/>		
At 1 January 2020		
Increase in right-of-use assets	572	397
Increase in lease liabilities	(572)	(397)
<hr/>		
<i>Impact from the adoption of TFRS16</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<hr/>		
At 1 January 2020		
Increase in right-of-use assets	17,249	11,995
Increase in lease liabilities	(17,249)	(11,995)

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are stated in US Dollar, which is the Company’s functional currency, and Thai Baht, which is the Company’s designated presentation currency and accordingly the Company has prepared financial statements in both US Dollar and Thai Baht. The basis of the translation from the functional currency (US Dollar) to the presentation currency (Thai Baht) is disclosed in Note 3(c).

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

3(t) and 16	Revenue recognition: estimate of expected returns;
10 and 11	Impairment test: key assumptions underlying recoverable amounts;
13	Measurement of defined benefit obligations: key actuarial assumptions;
20	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
22	Measurement of ECL allowance for trade accounts receivable and contract assets: key assumptions in determining the weighted-average loss rate; and
22	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Significant accounting policies

The accounting policies set out below have been applied to all periods presented in these financial statements, unless stated otherwise.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control. The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of the statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) *Financial instruments*

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability unless it is a trade receivable without a significant financing component or measured at FVTPL is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs e.g. liquidity risk and administrative costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition**Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Restricted deposit

Deposit that have a restriction of use are presented separately in account "Restricted Deposit at financial institution" in the statement of financial position.

(f) Trade and other accounts receivable and a contract asset

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

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

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(g) Supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts are stated at the lower of cost and net realisable value. Bunker supplies are determined on a first-in, first-out basis. Vessel supplies and spare parts are determined on a weighted average basis. Supplies and spare parts are determined on a weighted average basis.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
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No depreciation is provided on freehold land or assets under construction.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
Offshore support vessels	5 to 30 years
Motor launches	10 years
Dry-docking	2.5 and 5 years
Tools and equipment	3 to 20 years
Office equipment	3 to 5 years
Motor vehicles	5 to 10 years

No depreciation is provided on freehold land or assets under construction.

The estimated useful lives of support vessels are based on their remaining useful lives at the acquisition date. Depreciation is calculated based on a component approach on the cost of the vessels less an estimated residual value.

Expenditures incurred during inspections, major repairs, or dry-docking are recognised in the carrying amount of property, plant, and equipment as a replacement if the recognition criteria are satisfied. Dry-docking costs are considered a separate component of the vessels' cost that have a different pattern of economic benefits and are therefore depreciated separately. Dry-docking expenses are amortised over the period until the next scheduled dry-docking up to a maximum of 5 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs. However, the incremental costs of obtaining a contract are expensed when incurred, if the expected amortisation period is one year or less.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the term of the contract it relates to, consistent with the related revenue recognition.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	1, 3 and 5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) *Leases*

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as revenue from rendering of services on a straight-line basis over the lease term as part of 'revenue from rendering of services'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from rendering of services. Contingent rents are recognised as revenue from rendering of services in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(m) *Impairment of financial assets*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties, debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 180 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(r) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(s) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(t) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rendering of services

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(u) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(v) Interest*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset when the asset is not credit-impaired or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(w) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(y) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) *Segment reporting*

Segment results that are reported to the Group's Chief Operation Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 7 and 8. Other related parties which the group had significant transaction during the period with were as follows;

Name of entities	Country of incorporation/ nationality	Nature of relationship
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
Thoresen & Company (Bangkok) Limited	Thailand	99.9% holding by a subsidiary of ultimate parent company
Unique Mining Services Public Company Limited	Thailand	92.9% holding by the ultimate parent company
PSM Land Company Limited	Thailand	One of the director of ultimate parent company is a major shareholder
Natural Bev Co., Ltd.	Thailand	One of the director of ultimate parent company is a major shareholder
PT Seascope Surveys Indonesia	Indonesia	A subsidiary is a major shareholder, 10% or more shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for particular types of transactions are explained further below:

Transactions

Rendering of services
 Management fee
 Interest income and interest expenses
 Rental income
 Rental expense
 Other income
 Administrative expenses
 Management benefit expenses

Pricing policies

Prices normally charged to a third party
 Actual cost plus margin
 Market linked rate / Borrowing costs of the lender
 Actual cost plus margin
 Market price, Contractual price
 Actual cost plus margin
 Actual cost plus margin
 Amount approved by the directors and/or the shareholders

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Parent				
Other income	7	-	216	-
Administrative expenses	67	83	2,108	2,575
Associates				
Other income	67	-	2,051	-
Joint venture				
Rendering of services	56,665	62,252	1,772,663	1,930,499
Costs of rendering of services	80	5	2,539	154
Administrative expenses	1	62	32	1,904
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	1,474	1,670	46,173	51,768
Post-employment benefits	6	25	195	777
Total key management personnel compensation	1,480	1,695	46,368	52,545
Other related parties				
Other income	10	-	319	-
Administrative expenses	58	64	1,814	1,987
<i>Year ended 31 December</i>	Separate financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Parent				
Other income	7	-	216	-
Administrative expenses	67	83	2,108	2,575
Associates				
Other income	24	-	735	-
Subsidiaries				
Management fee income	420	534	13,166	16,579
Interest income	910	1,126	28,434	34,949
Other income	265	322	8,318	9,995
Administrative expenses	11	10	343	310
Loss on debt forgiveness	71,912	-	2,201,557	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	1,474	1,670	46,173	51,768
Post-employment benefits	6	25	195	777
Total key management personnel compensation	1,480	1,695	46,368	52,545
Other related parties				
Other income	10	-	319	-
Other administrative expenses	58	63	1,814	1,956

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Trade accounts receivable				
Joint venture	10,749	11,924	322,869	359,556
Net	10,749	11,924	322,869	359,556
Other accounts receivables				
Parent	4	-	120	-
Associates	37	12	1,112	362
Joint venture	73	-	2,193	-
Other related parties	7,542	7,543	226,540	227,451
	7,656	7,555	229,965	227,813
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(7,542)	(5,400)	(226,540)	(162,831)
Net	114	2,155	3,425	64,982
Expected credit losses (2019: Bad and doubtful debts expense) for the year	2,142	5,400	67,102	163,501

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Short-term loans to				
Other related parties	18,350	18,350	551,181	553,326
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(18,350)	(12,979)	(551,181)	(391,369)
Net	-	5,371	-	161,957
Expected credit losses (2019: Bad and doubtful debts expense) for the year	5,371	12,979	168,256	392,978

Movements during the years ended 31 December of short-term loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate	Consolidated financial statements	
		31 December 2019	31 December 2020
	31 December (% per annum)	Impairment (in thousand US Dollar)	
Other related parties	1.50	5,371	(5,371)
Total		5,371	-

	Interest rate	Consolidated financial statements			
	31 December (% per annum)	31 December 2019	Impairment loss <i>(in thousand Baht)</i>	Translation adjustment	31 December 2020
Other related parties	1.50	161,957	(168,256)	6,299	-
Total		161,957			-

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Trade accounts payables				
Other related parties	17	608	511	18,334
Joint venture	173	151	5,196	4,553
Total	190	759	5,707	22,887
Other accounts payables				
Parent	-	8	-	241
Other related parties	-	4	-	121
Total	-	12	-	362

	Separate financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Other accounts receivables				
Parent	4	-	120	-
Subsidiaries	2,977	65,307	89,420	1,969,267
Subsidiaries - transferred investments in associates under common control	-	89,119	-	2,687,294
Associates	37	12	1,112	362
Joint Venture	30	-	901	-
	3,048	154,438	91,553	4,656,923
Less allowance for expected credit loss <i>(2019: allowance for doubtful accounts)</i>	(2,809)	(32,215)	(84,374)	(971,411)
Net	239	122,223	7,179	3,685,512
Expected credit losses <i>(2019: Bad and doubtful debts expense)</i> for the year	1,127	2,662	34,502	80,600

Other accounts receivable from transferred investment in associates under common control

On 26 September 2014, the Company agreed to transfer the investment in associates, Asia offshore Drilling Group, to a subsidiary, Mermaid International Ventures "MIV" at cost of US Dollar 97.6 million for consideration received of Baht 2,899.0 million or equivalent to US Dollar 90.2 million. During the year ended 31 December 2020, the Company received cash from an indirect subsidiary of US Dollar 17.2 million and the Company forgiveness of the remaining debt due from an indirect subsidiary. As a result, the Company accounted for a losses from debt forgiveness by US Dollar 71.9 million as other expense in separate financial statements.

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Other non-current receivables				
Subsidiaries	50,304	-	1,510,987	-
	50,304	-	1,510,987	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(30,638)	-	(920,277)	-
Net	19,666	-	590,710	-
	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Loans to				
Subsidiaries	67,518	75,658	2,028,044	2,281,391
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(31,121)	(25,713)	(934,784)	(775,350)
Total	36,397	49,945	1,093,260	1,506,041
Expected credit losses (2019: Bad and doubtful debts expense) for the year	5,315	25,713	162,717	775,350

Movements during the years ended 31 December of loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate	Separate financial statements					Unrealised losses on exchange	31 December 2020
		31 December (% per annum)	31 December 2019	Increase	Decrease	Impairment (in thousand US Dollar)		
Subsidiaries	1.50	49,945	5,000	(13,373)	(5,315)	140	36,397	
Total		49,945					36,397	

	Interest rate	Separate financial statements					Unrealised losses on exchange	Translation adjustment	31 December 2020
		31 December (% per annum)	31 December 2019	Increase	Decrease	Impairment (in thousand Baht)			
Subsidiaries	1.50	1,506,041	150,186	(401,686)	(162,717)	4,369	(2,933)	1,093,260	
Total		1,506,041						1,093,260	

All loans to related parties are unsecured and have repayment terms at call.

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Other accounts payable				
Parent	-	8	-	241
Subsidiaries	31	19	931	574
Other related parties	-	2	-	60
Total	31	29	931	875

5 Cash and cash equivalents

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Cash on hand	34	58	1,021	1,749
Cash at bank	37,722	22,438	1,133,060	676,595
Total	37,756	22,496	1,134,081	678,344

	Separate financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Cash on hand	1	1	30	30
Cash at bank	26,127	3,874	784,779	116,817
Total	26,128	3,875	784,809	116,847

6 Restricted deposit at financial institution

Consolidated financial statements

As at 31 December 2020, US Dollar 8.0 million or equivalent to Baht 240.1 million (2019: US Dollar 7.6 million or equivalent to Baht 229.2 million) restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest.

As at 31 December 2020, US Dollar 1.2 million or equivalent to Baht 36.0 million (2019: US Dollar 3.7 million or equivalent to Baht 111.6 million) restricted deposit at financial institutions were deposited by subsidiaries to secure the performance guarantee from the financial institution.

7 Investment in associates and joint venture

Consolidated financial statements												
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income		
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
<i>(in thousand US Dollar)</i>												
Associates												
<i>Direct associate</i>												
PTCC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	22,407	22,420	-	-	-
<i>Indirect associates</i>												
Asia Offshore Drilling Limited ^(A)	Bermuda	-	33.76		USD 60 million	-	97,582	-	99,940	-	-	-
Total						22,507	120,089	22,407	122,360	-	-	-
Joint ventures												
<i>Direct joint venture</i>												
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00			213	213	1,571	1,577	-	-	-
<i>Indirect joint venture</i>												
ZeaQuest Co., Ltd.	Thailand	50.00	-	THB 2,194 thousand	-	35	-	-	-	-	-	-
Total						248	213	1,571	1,577	-	-	-

Consolidated financial statements

Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income For the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Associates											
<i>Direct associate</i>											
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	676,045	678,676	673,041	676,053	-	-
<i>Indirect associates</i>											
Asia Offshore Drilling Limited ^(A)	Bermuda	-	33.76	-	USD 60 million	-	2,942,488	-	3,013,590	-	-
Total						676,045	3,621,164	673,041	3,689,643	-	-
Joint ventures											
<i>Direct joint venture</i>											
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,398	6,423	47,188	47,553	-	-
<i>Indirect joint venture</i>											
ZeaQuest Co., Ltd.	Thailand	50.00	-	THB 2,194 thousand	-	1,051	-	47,188	-	-	-
Total						7,449	6,423	47,188	47,553	-	-

^(A) Asia Offshore Drilling Limited comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

Separate financial statements

Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019
Associate									
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	-	-
Total						22,507	22,507	-	-
Joint venture									
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	-	-
Total						213	213	-	-

Separate financial statements

Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019
Associate									
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	676,045	678,676	-	-
Total						676,045	678,676	-	-
Joint venture									
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,398	6,423	-	-
Total						6,398	6,423	-	-

None of the Company's associate and joint venture are publicly listed and consequently do not have published price quotations.

Associates

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	PTGC Co., Ltd.			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Revenue	-	-	-	-
Loss from continuing operations	(28)	(10)	(877)	(309)
Total comprehensive loss (100%)	(28)	(10)	(877)	(309)
Group's share of total comprehensive expense	(13)	(5)	(430)	(151)
Current assets	3	1	90	30
Non-current assets	19,360	19,360	581,518	583,781
Current liabilities	(42)	-	(1,232)	-
Non-current liabilities	-	(12)	-	(362)
Net assets (100%)	19,321	19,349	580,376	583,449
Group's share of net assets (% hold)	9,468	9,481	284,384	285,890
Goodwill	12,939	12,939	388,657	390,163
Carrying amount of investment in associate	22,407	22,420	673,041	676,053

	Asia Offshore Drilling Limited			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Revenue	28,119	61,177	888,327	1,899,120
Profit (loss) from continuing operations	(2,547)	15,747	(79,745)	487,879
Total comprehensive (loss) income (100%)	(2,547)	15,747	(79,745)	487,879
Total comprehensive (loss) income of the group interest	(860)	5,316	(26,922)	164,699
Adjust (loss) income from prior year	6	(12)	188	(379)
Group's share of total comprehensive (loss) income	(854)	5,304	(26,734)	164,320
Current assets	-	97,081	-	2,927,380
Non-current assets	-	409,172	-	12,338,172
Current liabilities	-	(11,946)	-	(360,220)
Non-current liabilities	-	(198,278)	-	(5,978,875)
Net assets (100%)	-	296,029	-	8,926,457
Group's share of net assets (% hold)	-	99,940	-	3,013,590
Carrying amount of investment in associate	-	99,940	-	3,013,590

Disposal of investment in an associate

On 4 April 2018, Mermaid International Ventures (“MIV”), an indirect subsidiary of the Company, entered into a Transaction Support Agreement (“TSA”) with Seadrill Limited (“Seadrill”) in which the TSA provided that, among other things, Seadrill would grant to MIV a put option (“Put Option”) in respect of MIV’s shares in Asia Offshore Drilling Limited (“AOD”).

On 11 September 2020, MIV exercised the Put Option to sell all of its 33.76% interest in AOD to Seadrill for a consideration of US Dollar 31.0 million in cash which fully received in September 2020. The Consideration had been mutually agreed between MIV and Seadrill pursuant to the terms of the TSA, taking to consideration, which two independent valuations of the three jack-up drilling rigs owned by AOD and the net book value of the other net assets of AOD.

As a result, AOD was no longer an associated company of the Group as at 31 December 2020. The Group recognized loss from disposal of interest in AOD in the consolidated statements of comprehensive income for the year ended 31 December 2020 of US Dollar 68.1 million and the Company transferred the difference arising from prior common control transaction of the Company transferring interest in AOD to MIV of US Dollar 7.4 million to profit and loss in the separate statements of comprehensive income for the year ended 31 December 2020.

The Board of Directors of the Company consider that the exercise of the Put Options is in the best interests of the Company and the shareholders and in the ordinary course of business of the Company.

Immaterial Joint venture

The following is summarised financial information for the Group’s interest in immaterial joint venture based on the amounts reported in the Group’s consolidated financial statements:

	Immaterial Joint venture			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Carrying amount of interest in immaterial joint venture	1,571	1,577	47,188	47,553
Group’s share of:				
- Loss from continuing operations	(41)	(543)	(1,244)	(16,426)
- Total comprehensive expense	(41)	(543)	(1,244)	(16,426)

New joint venture company

ZeaQuest Company Limited (“ZeaQuest”) was incorporated on 27 October 2020 with THB 5.0 million authorized share capital which is 50% owned by Mermaid Subsea Services (Thailand) Ltd (“MSST”) and 50% owned by AI and Robotics Ventures Co., Ltd. The issued shares were 43.88% paid-up, representing Baht 1.1 million. The main business of ZeaQuest is to develop robotics and artificial intelligence (“AI”) technology to provide commercial subsea engineering services.

8 Investments in subsidiaries

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	153,485	153,485	(98,123)	-	55,362	153,485	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	14,074	14,074	(14,074)	(10,600)	-	3,474	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			167,559	167,559	(112,197)	(10,600)	55,362	156,959	-	-

(in thousand US Dollar)

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	14,268	14,268	(14,268)	(14,268)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 550 thousand	MYR 350 thousand	139	90	-	-	139	90	-	-
Mermaid Subsea Services (UK) Ltd.	GBP 100 thousand	-	130	-	-	-	130	-	-	-
Mermaid-MOE JV Co., Ltd.	THB 250 thousand USD 20,400 thousand	- USD 20,400 thousand	8	-	-	-	8	-	-	-
Mermaid Offshore Services Pte. Ltd.	THB 240 million	THB 240 million	20,400	20,400	(20,400)	(20,400)	-	-	-	-
MTR - 1 Ltd.	THB 268 million	THB 240 million	6,255	6,255	(6,255)	(6,255)	-	-	-	-
MTR - 2 Ltd.	THB 268 million	THB 350 million	5,661	8,334	(5,661)	(5,930)	-	2,404	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	164	164	(164)	(164)	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	-	-	-	-	-	-	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	7,586	7,586	-	-	7,586	7,586	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd.	SAR 500 thousand	SAR 500 thousand	386	386	-	-	386	386	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	55	55	-	-	55	55	-	-
Total			55,052	57,538	(46,748)	(47,017)	8,304	10,521	-	-

Name of subsidiary	Paid - up capital		Cost		Impairment <i>(in thousand Baht)</i>		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	4,610,244	4,628,187	(2,947,330)	-	1,662,914	4,628,187	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	422,742	424,387	(422,742)	(319,632)	-	104,755	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			5,032,986	5,052,574	(3,370,072)	(319,632)	1,662,914	4,732,942	-	-

Name of subsidiary	Paid - up capital		Cost		Impairment <i>(in thousand Baht)</i>		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	428,569	430,237	(428,569)	(430,237)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 550 thousand	MYR 350 thousand	4,175	2,714	-	-	4,175	2,714	-	-
Mermaid Subsea Services (UK) Ltd.	GBP 100 thousand	-	3,905	-	-	-	3,905	-	-	-
Mermaid-MOE JV Co., Ltd.	THB 250 thousand	-	240	-	-	-	240	-	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	612,757	615,142	(612,757)	(615,142)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	187,882	188,613	(187,882)	(188,613)	-	-	-	-
MTR - 2 Ltd.	THB 268 million	THB 350 million	170,040	251,303	(170,040)	(178,813)	-	72,490	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	4,926	4,945	(4,926)	(4,945)	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	3	3	-	-	3	3	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	227,861	228,748	-	-	227,861	228,748	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd.	SAR 500 thousand	SAR 500 thousand	11,594	11,639	-	-	11,594	11,639	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	1,652	1,658	-	-	1,652	1,658	-	-
Total			1,653,604	1,735,002	(1,404,174)	(1,417,750)	249,430	317,252	-	-

During the year ended 31 December 2020, there were no disposal of investments in subsidiaries.

During the year 2020, the Company recognised an impairment loss of US Dollar 101.6 million on investment in subsidiaries as a result of lower recoverable amounts compared to carrying amounts.

The recoverable amounts of subsidiaries were determined based on their equity's value. The equity's value determined by adjusted enterprise value with the equity's assets and liabilities.

The enterprise's values were determined using an income approach based on cash flow projection of each subsidiary.

The key assumptions affecting cash flow projections include future utilization rates, day rates, operating cash costs, and discount factor. A terminal growth rate of 0% was applied. A WACC of 8.36% was used as the discount rate in the value in use calculations. The cost of equity component was derived using the capital asset pricing model. The cost of debt was estimated based on current debt facilities of the subsidiaries.

Incorporation of a subsidiaries

At the Board of Directors' meeting of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, held on 10 September 2020, MSST's Board of Directors approved to set up a new subsidiary, Mermaid-MOE JV Co., Ltd. ("MMJV") which is fully owned by MSST. The main business of this subsidiary is to provide subsea and related services. MMJV was incorporated on 10 September 2020 with Baht 1.0 million authorised share capital. As at 31 December 2020, the issued shares were 25% paid-up, representing Baht 0.3 million.

At the Board of Directors' meeting of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, held on 31 January 2020, MSST's Board of Directors approved to set up a new foreign subsidiary, Mermaid Subsea Services (UK) Limited ("MSS UK"), which is fully owned by MSST. The main business of this subsidiary is to provide subsea and related services. MSS UK was incorporated on 7 February 2020 with GBP 0.1 million authorised share capital.

Change the name of a subsidiary

On 9 October 2020, Mermaid-Meindo JV Co., Ltd. registered with the Ministry of Commerce to change the Company's name from "Mermaid-Meindo JV Co., Ltd" to "Mermaid-MOE JV Co., Ltd".

Increase in share capital of a subsidiary

On 7 February 2020, the shareholders of Mermaid Subsea Services (Malaysia) Ltd. ("MSSM") approved the increase in share capital of MSSM by MYR 0.2 million, from MYR 0.4 million to MYR 0.6 million. The addition shares were authorised and issued on 7 February 2020.

Decrease in share capital of a subsidiary

At the Extraordinary General Meeting of MTR-2 Ltd. ("MTR-2"), an indirect subsidiary, held on 26 October 2020, the shareholders approved to decrease share capital of MTR-2 by Baht 82.3 million, from Baht 350.0 million to Baht 267.7 million. The decrease shares were registered on 1 December 2020.

Loss of control in a subsidiary

As at 31 December 2019, the Group remains engaged in a number of legal proceedings regarding the ownership of share capital and management of the affairs of PT Seascope Surveys Indonesia ("PTSSI"). The outcome of these disputes remain uncertain and the process likely to be protracted. In the course of the disputes, the Group assesses that there is a loss of control over PTSSI at this time and to deconsolidate PTSSI from the consolidated financial statements. The Group recognises an investment in PTSSI as an other long-term investment under other non-current assets measured at fair value, other accounts receivable due from PTSSI, short-term loan to related party and trade accounts payable due to PTSSI in the consolidated statement of financial position as at 31 December 2019. As a result, the Group recognises gain from loss of control in a subsidiary in the consolidated statement of comprehensive income for the year ended 31 December 2019 in amount of US Dollar 0.7 million or equivalent to Baht 21.2 million.

9 Investments properties

	Consolidated financial statements		
	Land	Buildings	Total
	<i>(in thousand US Dollar)</i>		
Cost			
At 1 January 2019	248	1,271	1,519
At 31 December 2019 and at 1 January 2020	248	1,271	1,519
At 31 December 2020	248	1,271	1,519
Depreciation			
At 1 January 2019	-	931	931
Depreciation charge for the year	-	49	49
At 31 December 2019 and at 1 January 2020	-	980	980
Depreciation charge for the year	-	47	47
At 31 December 2020	-	1,027	1,027
Net book value			
At 31 December 2019	248	291	539
At 31 December 2020	248	244	492
	Consolidated financial statements		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2019	8,047	41,244	49,291
Translation adjustments	(569)	(2,918)	(3,487)
At 31 December 2019 and at 1 January 2020	7,478	38,326	45,804
Translation adjustments	(29)	(149)	(178)
At 31 December 2020	7,449	38,177	45,626
Depreciation			
At 1 January 2019	-	30,211	30,211
Depreciation charge for the year	-	1,521	1,521
Translation adjustments	-	(2,181)	(2,181)
At 31 December 2019 and at 1 January 2020	-	29,551	29,551
Depreciation charge for the year	-	1,468	1,468
Translation adjustments	-	(171)	(171)
At 31 December 2020	-	30,848	30,848
Net book value			
At 31 December 2019	7,478	8,775	16,253
At 31 December 2020	7,449	7,329	14,778

	Separate financial statements			Total
	Land	Buildings (in thousand US Dollar)	Buildings improvement	
Cost				
At 1 January 2019	838	4,390	160	5,388
At 31 December 2019 and at 1 January 2020	838	4,390	160	5,388
At 31 December 2020	838	4,390	160	5,388
Depreciation				
At 1 January 2019	-	3,232	143	3,375
Depreciation charge for the year	-	175	12	187
At 31 December 2019 and at 1 January 2020	-	3,407	155	3,562
Depreciation charge for the year	-	169	3	172
At 31 December 2020	-	3,576	158	3,734
Net book value				
At 31 December 2019	838	983	5	1,826
At 31 December 2020	838	814	2	1,654

	Separate financial statements			Total
	Land	Buildings (in thousand Baht)	Buildings improvement	
Cost				
At 1 January 2019	27,193	142,455	5,192	174,840
Translation adjustments	(1,924)	(10,079)	(367)	(12,370)
At 31 December 2019 and at 1 January 2020	25,269	132,376	4,825	162,470
Translation adjustments	(98)	(513)	(19)	(630)
At 31 December 2020	25,171	131,863	4,806	161,840
Depreciation				
At 1 January 2019	-	104,878	4,640	109,518
Depreciation charge for the year	-	5,433	372	5,805
Translation adjustments	-	(7,576)	(338)	(7,914)
At 31 December 2019 and at 1 January 2020	-	102,735	4,674	107,409
Depreciation charge for the year	-	5,292	94	5,386
Translation adjustments	-	(614)	(22)	(636)
At 31 December 2020	-	107,413	4,746	112,159
Net book value				
At 31 December 2019	25,269	29,641	151	55,061
At 31 December 2020	25,171	24,450	60	49,681

<i>Year ended 31 December</i>	Separate financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
<i>Amounts recognised in profit or loss</i>				
Rental income	140	244	4,394	7,578

Fair value of investment properties were appraised based on valuation report by an independent professional valuer, at open market values on an existing use basis. The appraised value of investment properties was US Dollar 2.2 million or equivalent to Baht 67.0 million (*2019: US Dollar 2.3 million or equivalent to Baht 67.8 million*) and US Dollar 6.1 million or equivalent to Baht 183.6 million (*2019: US Dollar 6.2 million or equivalent to Baht 186.9 million*) in the consolidated and separate financial statements, respectively. The fair value of investment property has been categorised as a Level 3 fair value.

10 Property, plant and equipment

Consolidated financial statements

	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry-docking	Motor launches	Construction in progress	Total
Cost											
At 1 January 2019	590	3,240	1,991	87,051	3,691	1,780	296,911	27,311	3,093	1,927	427,585
Additions	-	-	-	266	188	38	2	770	79	141	1,484
Transfers	-	-	-	-	-	-	-	565	-	(565)	-
Disposals	-	-	-	(1,296)	(57)	(25)	-	-	-	-	(1,378)
Effect from loss of control in a subsidiary	-	-	(444)	(6,172)	(527)	(440)	(1,045)	(930)	-	-	(9,558)
Write off	-	-	-	-	-	-	-	(12)	-	(52)	(64)
At 31 December 2019											
and 1 January 2020	590	3,240	1,547	79,849	3,295	1,353	295,868	27,704	3,172	1,451	418,069
Additions	-	-	41	497	57	-	-	11,735	-	-	12,330
Transfers	-	-	-	39	-	-	-	102	-	(141)	-
Disposals	-	-	-	(573)	(519)	(95)	-	-	-	-	(1,187)
Write off	-	-	-	-	(104)	-	-	(10,377)	-	-	(10,481)
At 31 December 2020	590	3,240	1,588	79,812	2,729	1,258	295,868	29,164	3,172	1,310	418,731

Consolidated financial statements

	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry-docking	Motor launches	Construction in progress	Total
<i>Impairment losses</i>											
At 1 January 2019	-	-	-	(5,452)	-	-	(40,464)	(1,841)	-	(1,514)	(49,271)
Impairment losses	-	-	-	(628)	-	-	(4,429)	-	-	-	(5,057)
Effect from loss of control in a subsidiary	-	-	-	663	-	-	657	56	-	204	1,580
At 31 December 2019											
and 1 January 2020	-	-	-	(5,417)	-	-	(44,236)	(1,785)	-	(1,310)	(52,748)
At 31 December 2020	-	-	-	(5,417)	-	-	(44,236)	(1,785)	-	(1,310)	(52,748)
<i>Net book value</i>											
At 31 December 2019	590	726	43	14,160	332	201	124,579	2,778	1,657	141	145,207
At 31 December 2020	590	597	59	11,317	158	102	117,301	11,555	1,512	-	143,191

Impairment losses

At 1 January 2019

Impairment losses

Effect from loss of

control in a subsidiary

At 31 December 2019

and 1 January 2020

At 31 December 2020*Net book value***At 31 December 2019****At 31 December 2020**

Consolidated financial statements

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<i>(in thousand Baht)</i>											
Depreciation											
At 1 January 2019	-	(77,263)	(47,052)	(1,976,095)	(104,067)	(40,789)	(3,879,990)	(609,083)	(43,937)	-	(6,778,276)
Depreciation charge for the year	-	(4,128)	(9,371)	(154,330)	(7,398)	(6,357)	(242,349)	(163,290)	(5,002)	-	(592,225)
Disposals	-	-	-	39,080	1,719	754	-	-	-	-	41,553
Effect from loss of control in a subsidiary	-	-	7,448	129,602	12,815	8,534	9,740	26,385	-	-	194,524
Write off	-	-	-	-	-	-	-	362	-	-	362
Translation adjustments	-	5,584	3,623	144,301	7,585	3,121	281,443	47,832	3,256	-	496,745
At 31 December 2019 and 1 January 2020	-	(75,807)	(45,352)	(1,817,442)	(89,346)	(34,737)	(3,831,156)	(697,794)	(45,683)	-	(6,637,317)
Depreciation charge for the year	-	(4,038)	(783)	(105,831)	(6,047)	(3,098)	(227,892)	(96,573)	(4,542)	-	(447,804)
Disposals	-	-	-	17,361	15,439	2,854	-	-	-	-	35,654
Write off	-	-	-	-	2,133	-	-	311,695	-	-	313,828
Translation adjustments	-	457	208	11,232	596	258	24,134	6,365	363	-	43,613
At 31 December 2020	-	(79,388)	(45,927)	(1,894,680)	(77,225)	(34,723)	(4,034,914)	(475,307)	(49,862)	-	(6,692,026)

Consolidated financial statements

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
Impairment losses											
At 1 January 2019	-	-	-	(176,917)	-	-	(1,313,049)	(59,740)	-	(49,129)	(1,598,835)
Impairment losses	-	-	-	(19,015)	-	-	(134,101)	-	-	-	(153,116)
Effect from loss of control in a subsidiary	-	-	-	19,992	-	-	19,811	1,689	-	6,151	47,643
Translation adjustments	-	-	-	12,596	-	-	93,447	4,226	-	3,476	113,745
At 31 December 2019											
and 1 January 2020	-	-	-	(163,344)	-	-	(1,333,892)	(53,825)	-	(39,502)	(1,590,563)
Translation adjustments	-	-	-	633	-	-	5,171	209	-	153	6,166
At 31 December 2020											
	-	-	-	(162,711)	-	-	(1,328,721)	(53,616)	-	(39,349)	(1,584,397)
Net book value											
At 31 December 2019	17,791	21,892	1,297	426,981	10,011	6,061	3,756,556	83,767	49,965	4,251	4,378,572
At 31 December 2020	17,722	17,932	1,772	339,930	4,746	3,064	3,523,382	347,079	45,416	-	4,301,043

Security

As at 31 December 2020, the Group's property, plant and equipment with a net book value of US Dollar 110.9 million (2019: US Dollar 110.0 million) were registered to secure short-term and long-term facilities with financial institutions.

Separate financial statements

	Buildings	Building improvement	Tools and equipment <i>(in thousand US Dollar)</i>	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2019	120	447	77	1,857	39	2,540
Additions	-	-	-	14	22	36
At 31 December 2019 and 1 January 2020	120	447	77	1,871	61	2,576
Additions	-	41	-	6	-	47
Disposals	-	-	-	(470)	(32)	(502)
At 31 December 2020	120	488	77	1,407	29	2,121
Depreciation						
At 1 January 2019	(81)	(443)	(73)	(1,758)	(39)	(2,394)
Depreciation charge for the year	(6)	-	(3)	(56)	(2)	(67)
At 31 December 2019 and 1 January 2020	(87)	(443)	(76)	(1,814)	(41)	(2,461)
Depreciation charge for the year	(6)	(1)	(1)	(41)	(5)	(54)
Disposals	-	-	-	470	32	502
At 31 December 2020	(93)	(444)	(77)	(1,385)	(14)	(2,013)
Net book value						
At 31 December 2019	33	4	1	57	20	115
At 31 December 2020	27	44	-	22	15	108

Separate financial statements

	Buildings	Building improvement	Tools and equipment <i>(in thousand Baht)</i>	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2019	3,894	14,505	2,499	60,259	1,266	82,423
Additions	-	-	-	422	663	1,085
Translation adjustments	(276)	(1,026)	(176)	(4,263)	(90)	(5,831)
At 31 December 2019 and 1 January 2020	3,618	13,479	2,323	56,418	1,839	77,677
Additions	-	1,232	-	180	-	1,412
Disposals	-	-	-	(14,117)	(961)	(15,078)
Translation adjustments	(14)	(53)	(10)	(219)	(7)	(303)
At 31 December 2020	3,604	14,658	2,313	42,262	871	63,708
Depreciation						
At 1 January 2019	(2,628)	(14,375)	(2,369)	(57,047)	(1,266)	(77,685)
Depreciation charge for the year	(186)	-	(94)	(1,738)	(61)	(2,079)
Translation adjustments	191	1,017	170	4,086	91	5,555
At 31 December 2019 and 1 January 2020	(2,623)	(13,358)	(2,293)	(54,699)	(1,236)	(74,209)
Depreciation charge for the year	(189)	(31)	(31)	(1,290)	(155)	(1,696)
Disposals	-	-	-	14,708	1,001	15,709
Translation adjustments	19	53	12	(320)	(31)	(267)
At 31 December 2020	(2,793)	(13,336)	(2,312)	(41,601)	(421)	(60,463)
Net book value						
At 31 December 2019	995	121	30	1,719	603	3,468
At 31 December 2020	811	1,322	1	661	450	3,245

11 Goodwill

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Cost				
At 1 January	10,136	10,136	305,641	328,911
Translation adjustments	-	-	(1,185)	(23,270)
At 31 December	10,136	10,136	304,456	305,641
Impairment loss				
At 1 January	(8,070)	(8,070)	(243,343)	(261,870)
Impairment loss	(2,066)	-	(63,250)	-
Translation adjustments	-	-	2,137	18,527
At 31 December	(10,136)	(8,070)	(304,456)	(243,343)
Net book value				
At 1 January	2,066	2,066	62,298	67,041
At 31 December	-	2,066	-	62,298

The continuing drop in oil prices during the year 2015 impacted the Group's overall business as it led to reduced activity and contracts for subsea and offshore drilling services. Additionally, with more offshore rigs and subsea vessels in the market coming off contract and new builds yet to be delivered, the vessel supply and demand imbalance will continue to have a negative impact on utilisation and day rates. These have been important factors indicating that the Group's assets may be impaired.

Goodwill and impairment loss on goodwill was allocated to the following cash-generating units ("CGU"):

Seascope CGU

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Cost				
At 1 January	8,070	8,070	243,343	261,870
Translation adjustments	-	-	(944)	(18,527)
At 31 December	8,070	8,070	242,399	243,343
Impairment loss				
At 1 January	(8,070)	(8,070)	(243,343)	(261,870)
Translation adjustments	-	-	944	18,527
At 31 December	(8,070)	(8,070)	(242,399)	(243,343)
Net book value				
At 1 January	-	-	-	-
At 31 December	-	-	-	-

The recoverable amount of Seascope CGU estimated using the value in use method was less than the total carrying amount of Seascope CGU and the goodwill allocated to it. As a result, goodwill allocated to Seascope CGU was fully impaired as at 31 December 2015.

Mermaid Subsea Services (International) ("MSSI") CGU

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
<i>Cost</i>				
At 1 January	2,066	2,066	62,298	67,041
Translation adjustments	-	-	(241)	(4,743)
At 31 December	2,066	2,066	62,057	62,298
<i>Impairment loss</i>				
At 1 January	-	-	-	-
Impairment loss	(2,066)	-	(63,250)	-
Translation adjustments	-	-	1,193	-
At 31 December	(2,066)	-	(62,057)	-
<i>Net book value</i>				
At 1 January	2,066	2,066	62,298	67,041
At 31 December	-	2,066	-	62,298

The recoverable amount of MSSI CGU estimated using the value in use method was less than the total carrying amount of MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to MSSI CGU was fully impaired as at 31 December 2020. The cash flows were projected over a period of 5 years before a terminal growth rate was applied to reflect management's estimate of the cyclic nature of day rates earned by MSSI CGU. The key assumptions used in the estimation of MSSI CGU's value in use were as follow;

Key assumptions	Value
Discount rate	8.36 %
Terminal value growth rate	0 %

12 Interest-bearing liabilities

	Consolidated financial statements		
	2020		Total
Secured	Unsecured		
	<i>(in thousand US Dollar)</i>		
Current portion of long-term borrowings from financial institutions	13,544	-	13,544
Current portion of lease liabilities	40	166	206
Long-term borrowings from financial institutions	43,869	-	43,869
Lease liabilities <i>(2019: Finance lease liabilities)</i>	11	211	222
Total interest-bearing liabilities	57,464	377	57,841

Consolidated financial statements			
2020			
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Current portion of long-term borrowings from financial institutions	406,822	-	406,822
Current portion of lease liabilities	1,202	4,986	6,188
Long-term borrowings from financial institutions	1,317,698	-	1,317,698
Lease liabilities <i>(2019: Finance lease liabilities)</i>	330	6,338	6,668
Total interest-bearing liabilities	1,726,052	11,324	1,737,376

Consolidated financial statements			
2019			
	Secured	Unsecured	Total
	<i>(in thousand US Dollar)</i>		
Short-term borrowings from financial institutions	-	244	244
Current portion of long-term borrowings from financial institutions	11,953	-	11,953
Long-term borrowings from financial institutions	43,846	-	43,846
Total interest-bearing liabilities	55,799	244	56,043

Consolidated financial statements			
2019			
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Short-term borrowings from financial institutions	-	7,358	7,358
Current portion of long-term borrowings from financial institutions	360,431	-	360,431
Long-term borrowings from financial institutions	1,322,132	-	1,322,132
Total interest-bearing liabilities	1,682,563	7,358	1,689,921

Separate financial statements			
2020			
	Secured	Unsecured	Total
	<i>(in thousand US Dollar)</i>		
Current portion of lease liabilities	40	164	204
Lease liabilities <i>(2019: Finance lease liabilities)</i>	11	210	221
Total interest-bearing liabilities	51	374	425

Separate financial statements			
2020			
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Current portion of lease liabilities	1,202	4,926	6,128
Lease liabilities <i>(2019: Finance lease liabilities)</i>	330	6,308	6,638
Total interest-bearing liabilities	1,532	11,234	12,766

The Group's long-term borrowings from financial institutions bear effective interest rates of 2.89% and 2.99% per annum (2019: 4.61% per annum).

As at 31 December 2020, the Group and the Company had unutilised credit facilities totalling US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively (2019: US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively).

The movement of long-term borrowings from financial institutions were summarised as follows:

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
At 1 January	55,799	67,725	1,682,563	2,197,662
Addition	7,960	-	239,095	-
Repayments during year	(6,400)	(12,000)	(192,237)	(361,848)
Amortisation to profit and loss (front end fee)	54	74	1,692	2,312
Translation adjustments	-	-	(6,593)	(155,563)
At 31 December	57,413	55,799	1,724,520	1,682,563

The currency denomination of interest-bearing liabilities, excluding finance lease liabilities as at 31 December were as follows:

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Currencies:				
US Dollar	57,413	56,043	1,724,520	1,689,921
Total	57,413	56,043	1,724,520	1,689,921

Long-term borrowings for the purchase of support vessels were granted by commercial banks and were denominated in US Dollar, having a total outstanding balance of US Dollar 57.4 million as at 31 December 2020 (2019: US Dollar 55.8 million) with repayment terms until 2025. These borrowings bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 10 and are guaranteed by the Company.

According to a condition of the borrowing agreements for all asset acquisitions, the Company and its subsidiaries are not allowed to create any encumbrance on the assets used as collateral, except for encumbrances created with the prior consent of the financial institutions and permitted liens. The Company and certain subsidiaries must comply with other conditions and restrictions stated in the term borrowing agreements.

13 Provisions for employee benefits

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	2,322	1,961	69,746	59,132
Other long-term employee benefits	89	88	2,673	2,654
Total	2,411	2,049	72,419	61,786
	Separate financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	255	223	7,659	6,724
Other long-term employee benefits	19	19	571	573
Total	274	242	8,230	7,297
	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
At 1 January	2,049	2,504	61,786	81,254
Include in profit or loss:				
Current service costs	403	562	12,594	17,309
Interest on obligation	19	18	595	554
Past service costs	-	69	-	2,099
Curtailment gain	(44)	(99)	(1,419)	(3,119)
	378	550	11,770	16,843
Include in other comprehensive income:				
Actuarial (gains) losses				
- Demographic assumptions	-	1	-	30
- Financial assumptions	(40)	33	(1,253)	992
- Experience adjustment	133	(8)	4,166	(242)
Others:				
Benefits paid	(109)	(42)	(3,337)	(1,328)
Disposal from deconsolidation of a subsidiary	-	(989)	-	(29,945)
Translation adjustments	-	-	(713)	(5,818)
	(16)	(1,005)	(1,137)	(36,311)
At 31 December	2,411	2,049	72,419	61,786

	Separate financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
At 1 January	242	105	7,297	3,407
Include in profit or loss:				
Current service costs	25	42	784	1,289
Interest on obligation	7	6	219	185
Past service cost	-	77	-	2,322
	32	125	1,003	3,796
Include in other comprehensive income:				
Actuarial losses				
- Demographic assumptions	-	4	-	121
- Financial assumptions	-	5	-	164
- Experience adjustment	-	3	-	91
Others:				
Translation adjustments	-	-	(70)	(282)
	-	12	(70)	94
At 31 December	274	242	8,230	7,297

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
			%	
Discount rate	2.55 – 3.20	2.55 – 3.90	2.55 – 3.02	2.55 – 3.02
Future salary growth	2.50 – 5.00	2.50 – 5.00	5.00	5.00
Employee turnover	5.00 – 34.38	5.00 – 34.38	5.00 – 34.38	5.00 – 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**Effect to the defined benefit obligation
At 31 December**

Post-employment benefits

Discount rate (1%)	(148)	(150)	171	116
Future salary growth (1%)	182	121	(159)	(156)
Employee turnover (20%)	(82)	(105)	105	133
Future mortality (20%)	(8)	(10)	8	10

Other long-term employee benefits

Discount rate (1%)	(5)	(5)	6	6
Employee turnover (20%)	(9)	(12)	12	15

Consolidated financial statements

	2020	2019	2020	2019
	Increase in assumption		Decrease in assumption	
	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(148)	(150)	171	116
Future salary growth (1%)	182	121	(159)	(156)
Employee turnover (20%)	(82)	(105)	105	133
Future mortality (20%)	(8)	(10)	8	10
Other long-term employee benefits				
Discount rate (1%)	(5)	(5)	6	6
Employee turnover (20%)	(9)	(12)	12	15

**Effect to the defined benefit obligation
At 31 December**

Post-employment benefits

Discount rate (1%)	(4,445)	(4,523)	5,136	3,498
Future salary growth (1%)	5,467	3,649	(4,776)	(4,704)
Employee turnover (20%)	(2,463)	(3,166)	3,154	4,010
Future mortality (20%)	(240)	(302)	240	302

Other long-term employee benefits

Discount rate (1%)	(150)	(151)	180	181
Employee turnover (20%)	(270)	(362)	360	452

Consolidated financial statements

	2020	2019	2020	2019
	Increase in assumption		Decrease in assumption	
	<i>(in thousand Baht)</i>			
Discount rate (1%)	(4,445)	(4,523)	5,136	3,498
Future salary growth (1%)	5,467	3,649	(4,776)	(4,704)
Employee turnover (20%)	(2,463)	(3,166)	3,154	4,010
Future mortality (20%)	(240)	(302)	240	302
Other long-term employee benefits				
Discount rate (1%)	(150)	(151)	180	181
Employee turnover (20%)	(270)	(362)	360	452

**Effect to the defined benefit obligation
At 31 December**

Post-employment benefits

Discount rate (1%)	(25)	(24)	29	28
Future salary growth (1%)	33	28	(29)	(28)
Employee turnover (20%)	(41)	(36)	52	46
Future mortality (20%)	(4)	(3)	4	3

Other long-term employee benefits

Discount rate (1%)	(1)	(1)	1	1
Employee turnover (20%)	(3)	(3)	4	3

Separate financial statements

	2020	2019	2020	2019
	Increase in assumption		Decrease in assumption	
	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(25)	(24)	29	28
Future salary growth (1%)	33	28	(29)	(28)
Employee turnover (20%)	(41)	(36)	52	46
Future mortality (20%)	(4)	(3)	4	3
Other long-term employee benefits				
Discount rate (1%)	(1)	(1)	1	1
Employee turnover (20%)	(3)	(3)	4	3

**Effect to the defined benefit obligation
At 31 December**

Post-employment benefits

Discount rate (1%)	(751)	(724)	871	844
Future salary growth (1%)	991	844	(871)	(844)
Employee turnover (20%)	(1,232)	(1,086)	1,562	1,387
Future mortality (20%)	(120)	(90)	120	90

Other long-term employee benefits

Discount rate (1%)	(30)	(30)	30	30
Employee turnover (20%)	(90)	(90)	120	90

Separate financial statements

	2020	2019	2020	2019
	Increase in assumption		Decrease in assumption	
	<i>(in thousand Baht)</i>			
Discount rate (1%)	(751)	(724)	871	844
Future salary growth (1%)	991	844	(871)	(844)
Employee turnover (20%)	(1,232)	(1,086)	1,562	1,387
Future mortality (20%)	(120)	(90)	120	90
Other long-term employee benefits				
Discount rate (1%)	(30)	(30)	30	30
Employee turnover (20%)	(90)	(90)	120	90

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

14 Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

15 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Difference arising from common control transactions

The differences arising from common control transactions represent the excess of the book values of certain entities or businesses under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Other components of equity

Currency translation differences

The currency translation differences account within equity related to foreign currency differences arising from the translation of the financial statements of foreign operations to US Dollar and Thai Baht.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

16 Segment information and disaggregation of revenue

The Group has two reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different services and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

Business segments

The Group comprises the following main business segments:

Segment 1	Subsea group
Segment 2	Holding

Revenue, results and timing of revenue recognition, based on business segments, in the consolidated financial statements for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements For the year ended 31 December 2020				
	Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
Disaggregation of revenue					
Primary geographical markets					
Saudi Arabia	63,627	-	63,627	(7)	63,620
Qatar	19,940	-	19,940	-	19,940
Myanmar	212	-	212	-	212
Thailand	7	-	7	-	7
Total revenue	83,786	-	83,786	(7)	83,779
Major products/service lines					
Providing services	83,786	-	83,786	(7)	83,779
Total revenue	83,786	-	83,786	(7)	83,779
Timing of revenue recognition					
Over time	83,786	-	83,786	(7)	83,779
Total revenue	83,786	-	83,786	(7)	83,779
Information about reportable segment					
Revenue from rendering of services	83,786	-	83,786	(7)	83,779
Operating profit (loss)	(32,437)	(124,835)	(157,272)	121,386	(35,886)
Loss on disposal of investment in an associate	-	(68,085)	(68,085)	-	(68,085)
Share of loss of associates and joint venture	(41)	(867)	(908)	-	(908)
Finance costs	(2,257)	(11)	(2,268)	39	(2,229)
Tax (expense) income	(2,492)	6	(2,486)	-	(2,486)
Profit (loss) for the year	(37,227)	(193,792)	(231,019)	121,425	(109,594)

Consolidated financial statements
For the year ended 31 December 2020

Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
Total assets	209,193	134,120	343,313	260,507
Total liabilities	218,026	1,820	219,846	83,204
Capital expenditure	12,282	47	12,329	12,329
Depreciation	14,139	367	14,506	14,506
Amortisation	34	7	41	41
Gain (loss) on disposal property, plant and equipment	(10)	26	16	22
Impairment losses	10,006	-	10,006	10,006

**Consolidated financial statements
For the year ended 31 December 2019**

Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
<i>Disaggregation of revenue</i>				
Primary geographical markets				
Saudi Arabia	-	68,279	(12)	68,267
Qatar	-	34,002	-	34,002
Thailand	-	3,664	-	3,664
Total revenue	-	105,945	(12)	105,933
Major products/service lines				
Providing services	-	105,945	(12)	105,933
Total revenue	-	105,945	(12)	105,933
Timing of revenue recognition				
Over time	-	105,945	(12)	105,933
Total revenue	-	105,945	(12)	105,933
<i>Information about reportable segment</i>				
Revenue from rendering of services	-	105,945	(12)	105,933
Operating profit (loss)	2,380	(27,413)	2,413	(25,000)
Share of profit (loss) of associates and joint venture	5,299	4,756	-	4,756
Finance costs	-	(3,644)	247	(3,397)
Tax (expense) income	29	(575)	-	(575)
Profit (loss) for the year	7,708	(26,876)	2,660	(24,216)

**Consolidated financial statements
For the year ended 31 December 2019**

Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
Total assets	406,169	659,993	(285,945)	374,048
Total liabilities	14,727	241,712	(154,657)	87,055
Capital expenditure	35	1,484	-	1,484
Depreciation	258	19,119	-	19,119
Amortisation	9	58	-	58
Gain on disposal property, plant and equipment	-	7	-	7
Impairment losses	-	5,057	-	5,057
Gain from loss of control in a subsidiary	701	701	-	701

Consolidated financial statements
For the year ended 31 December 2020

Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Disaggregation of revenue				
Primary geographical markets				
Saudi Arabia	-	1,990,890	(219)	1,990,671
Qatar	-	619,130	-	619,130
Myanmar	-	6,633	-	6,633
Thailand	-	208	-	208
Total revenue	-	2,616,861	(219)	2,616,642
Major products/service lines				
Providing services	-	2,616,861	(219)	2,616,642
Total revenue	-	2,616,861	(219)	2,616,642
Timing of revenue recognition				
Over time	-	2,616,861	(219)	2,616,642
Total revenue	-	2,616,861	(219)	2,616,642
Information about reportable segment				
Revenue from rendering of services	-	2,616,861	(219)	2,616,642
Operating profit (loss)	(3,841,410)	(4,859,948)	3,734,024	(1,125,924)
Loss on disposal of investment in an associate	(2,132,885)	(2,132,885)	-	(2,132,885)
Share of loss of associates and joint venture	(27,163)	(28,408)	-	(28,408)
Finance costs	(343)	(71,030)	1,185	(69,845)
Tax (expense) income	184	(77,267)	-	(77,267)
Profit (loss) for the year	(6,001,617)	(7,169,538)	3,735,209	(3,434,329)

Consolidated financial statements
For the year ended 31 December 2020

Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Total assets	6,283,551	10,312,127	(2,487,252)	7,824,875
Total liabilities	6,548,868	6,603,536	(4,104,329)	2,499,207
Capital expenditure	368,915	1,412	-	370,327
Depreciation	442,348	11,465	-	453,813
Amortisation	1,063	219	-	1,282
Gain (loss) on disposal property, plant and equipment	(291)	815	192	716
Impairment losses	311,579	-	-	311,579

Consolidated financial statements
For the year ended 31 December 2019

Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Disaggregation of revenue				
Primary geographical markets				
Saudi Arabia	-	2,117,277	(375)	2,116,902
Qatar	-	1,056,812	-	1,056,812
Thailand	-	112,330	-	112,330
Total revenue	-	3,286,419	(375)	3,286,044
Major products/service lines				
Providing services	-	3,286,419	(375)	3,286,044
Total revenue	-	3,286,419	(375)	3,286,044
Timing of revenue recognition				
Over time	-	3,286,419	(375)	3,286,044
Total revenue	-	3,286,419	(375)	3,286,044
Information about reportable segment				
Revenue from rendering of services	-	3,286,419	(375)	3,286,044
Operating profit (loss)	77,074	(846,609)	72,865	(773,744)
Share of profit (loss) of associates and joint venture	164,168	147,742	-	147,742
Finance costs	-	(113,344)	7,671	(105,673)
Tax (expense) income	878	(18,046)	-	(18,046)
Profit (loss) for the year	242,120	(830,257)	80,536	(749,721)

Consolidated financial statements
For the year ended 31 December 2019

Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Total assets	7,653,807	12,247,620	19,901,427	11,279,041
Total liabilities	6,844,509	444,077	7,288,586	2,625,059
Capital expenditure	43,694	1,055	44,749	44,749
Depreciation	585,736	8,010	593,746	593,746
Amortisation	1,528	280	1,808	1,808
Gain on disposal property, plant and equipment	212	-	212	212
Impairment losses	153,116	-	153,116	153,116
Gain from loss of control in a subsidiary	-	21,225	21,225	21,225

Geographical information

Segments Subsea and Holding are managed on a worldwide basis but mainly operate and provide services in Thailand, Qatar, Myanmar and Saudi Arabia.

In presenting information on the basis of geographical segments, assets are based on the geographical location of the assets.

	Assets			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Thailand	196,707	182,581	5,908,508	5,505,547
Saudi Arabia	50,234	58,668	1,508,884	1,769,074
Qatar	12,214	22,387	366,873	675,058
Singapore	652	7,619	19,584	229,743
United Arab Emirates	435	2,512	13,066	75,746
Cayman	6	99,995	180	3,015,249
Other countries	259	286	7,780	8,624
Total	260,507	374,048	7,824,875	11,279,041

Major customers

Revenues from the major customers of the Group's Segments Subsea represents approximately US Dollar 79.0 million (2019: US Dollar 97.5 million) of the Group's total revenues.

17 Cost of rendering of services

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Crew, staff and subcontractor costs	44,982	48,975	1,405,386	1,518,733
Vessel expenses and repair and maintenance expenses	21,530	27,325	673,474	848,106
Depreciation	13,866	18,192	433,806	564,876
Charter hire and equipment rental	9,161	5,591	288,470	173,884
Recharge expenses related to services provided	3,138	4,925	98,667	151,367
Mobilisation/demobilisation expense	2,675	4,037	83,516	124,995
Amortisation	-	7	-	221
Total	95,352	109,052	2,983,319	3,382,182

18 Administrative expenses

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Impairment losses	10,006	5,078	311,582	153,763
Employee benefit expense	8,845	9,747	277,054	302,433
Professional fees	1,809	2,294	56,451	71,261
Withholding tax not recoverable	1,006	1,656	31,586	51,451
Depreciation	640	927	20,007	28,870
Travelling expenses	501	795	15,640	24,701
Office and office equipment rental	255	410	7,976	12,738
Bank charge	205	498	6,414	15,411
Amortisation	41	51	1,282	1,587
Insurance and port expenses	-	14	-	436
Others	1,356	2,187	42,281	69,933
Total	24,664	23,657	770,273	732,584

	Separate financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Impairment losses	108,039	2,662	3,307,571	80,600
Loss from loan transfer from a subsidiary	13,373	-	427,231	-
Employee benefit expense	2,211	2,639	69,169	81,798
Professional fees	933	528	29,163	16,394
Depreciation	369	254	11,528	7,884
Travelling expenses	53	91	1,660	2,812
Others	387	554	12,092	17,207
Total	125,365	6,728	3,858,414	206,695

19 Employee benefit expense

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Crew expenses and subcontractor	44,982	48,975	1,405,386	1,518,733
Wages and salaries	5,654	6,674	176,867	207,173
Staff welfare	1,981	1,537	62,331	47,742
Contribution to defined contribution plans and social security and expenses related to define benefit plans	767	1,050	23,987	32,429
Bonus	182	198	5,703	6,131
Others	261	288	8,166	8,958
Total	53,827	58,722	1,682,440	1,821,166

	Separate financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Wages and salaries	1,561	1,855	48,816	57,562
Staff welfare	233	318	7,307	9,870
Contribution to defined contribution plans and social security and expenses related to define benefit plans	138	253	4,316	7,795
Bonus	130	56	4,066	1,698
Others	149	157	4,664	4,873
Total	2,211	2,639	69,169	81,798

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate 7% of their basic salaries and by the Group at rate 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

20 Income tax

Income tax recognized in profit or loss

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current tax expense				
Current taxes	390	627	12,026	19,618
Adjustment for prior year	14	9	438	275
	404	636	12,464	19,893
Deferred tax expense (benefit)				
Deferred taxes	2,082	(61)	64,803	(1,847)
Total	2,486	575	77,267	18,046

Separate financial statements

	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Deferred tax benefit				
Deferred taxes	(6)	(29)	(184)	(878)
Total	(6)	(29)	(184)	(878)

Income tax recognized in other comprehensive income

Consolidated financial statements

	2020			2019		
	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax
	<i>(in thousand US Dollar)</i>					
Defined benefit plan actuarial gains (losses)	(93)	(3)	(96)	(26)	24	(2)
Total	(93)	(3)	(96)	(26)	24	(2)

Consolidated financial statements

	2020			2019		
	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial gains (losses)	(2,913)	(92)	(3,005)	(780)	718	(62)
Total	(2,913)	(92)	(3,005)	(780)	718	(62)

Separate financial statements

	2020			2019		
	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax
	<i>(in thousand US Dollar)</i>					
Defined benefit plan actuarial gains (losses)	-	-	-	(12)	(2)	(14)
Total	-	-	-	(12)	(2)	(14)

Separate financial statements

	2020			2019		
	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial gains (losses)	-	-	-	(376)	(60)	(436)
Total	-	-	-	(376)	(60)	(436)

Reconciliation of effective tax rate

The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the weighted average effective tax rate to profits of the consolidated entities as follows:

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Loss before income tax – accounting	(107,108)	(23,641)	(3,357,062)	(731,675)
Tax at the domestic rate of 20%	(21,422)	(4,728)	(671,412)	(146,335)
Adjustments:				
Effect of difference tax rate in foreign jurisdictions	(20,875)	1,510	(653,254)	46,882
Income not subject to tax and additional taxable expenses	(2,570)	(649)	(80,425)	(20,150)
Expenses not deductible for tax purposes	42,824	4,401	1,340,630	136,381
Utilisation of previously unrecognised tax losses	(87)	-	(2,723)	-
Tax losses and temporary differences for which no deferred income tax were recognised	4,624	1,871	144,702	58,090
Adjustments in respect of prior year	14	9	438	275
Remeasurement of (gain) loss on exchange rate of US Dollar financial statement	63	(1,527)	1,971	(47,410)
Remeasurement of gain on exchange rate of Thai Baht financial statement	(85)	(312)	(2,660)	(9,687)
Total income tax expense	2,486	575	77,267	18,046
The average effective tax rate	2%	2%	2%	2%

	Separate financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Profit (loss) before income tax – accounting	(202,871)	9,978	(6,277,074)	315,154
Tax at the domestic rate of 20%	(40,574)	1,996	(1,255,415)	63,031
Adjustments:				
Expenses not deductible for tax purposes	40,136	522	1,241,712	15,170
Tax losses for which no deferred income tax assets were recognised	590	783	18,463	24,310
Remeasurement of gain on exchange rate of US Dollar financial statement	(34)	(2,935)	(1,064)	(91,125)
Remeasurement of gain on exchange rate of Thai Baht financial statement	(124)	(395)	(3,880)	(12,264)
Total income tax expense (benefit)	(6)	(29)	(184)	(878)
The average effective tax rate	0%	0%	0%	0%

The average effective tax rate is calculated including taxes due from overseas operations.

Deferred tax assets as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
Total	54	2,139	-	-
Net deferred tax assets	54	2,139	-	-

	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,622	64,499	-	-
Net deferred tax assets	1,622	64,499	-	-

	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
Total	54	48	-	-
Net deferred tax assets	54	48	-	-

	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,622	1,447	-	-
Net deferred tax assets	1,622	1,447	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	(Charged) / Credited to :			
	At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020
	<i>(in thousand US Dollar)</i>			
Deferred tax assets				
Property, plant and equipment	153	(153)	-	-
Provisions	345	(345)	-	-
Retirement benefits obligation	147	(90)	(3)	54
Loss carry forward	1,494	(1,494)	-	-
Total	2,139	(2,082)	(3)	54

	Consolidated financial statements				
	(Charged) / Credited to :				
	At 1 January 2020	Profit or loss	Other comprehensive income	Translation adjustments	At 31 December 2020
	<i>(in thousand Baht)</i>				
Deferred tax assets					
Property, plant and equipment	4,614	(4,684)	-	70	-
Provisions	10,403	(10,562)	-	159	-
Retirement benefits obligation	4,433	(2,755)	(92)	36	1,622
Loss carry forward	45,049	(46,802)	-	1,753	-
Total	64,499	(64,803)	(92)	2,018	1,622

	Consolidated financial statements				
	(Charged) / Credited to :				
	At 1 January 2019	Profit or loss	Other comprehensive income	Disposal from deconsolidation of a subsidiary	At 31 December 2019
	<i>(in thousand US Dollar)</i>				
Deferred tax assets					
Property, plant and equipment	173	-	-	(20)	153
Provisions	345	-	-	-	345
Retirement benefits obligation	269	61	24	(207)	147
Loss carry forward	1,494	-	-	-	1,494
Total	2,281	61	24	(227)	2,139

Consolidated financial statements

(Charged) / Credited to :

	At 1 January 2019	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Disposal from deconsolidation of a subsidiary	Translation adjustments	At 31 December 2019
Deferred tax assets						
Property, plant and equipment	5,614	-	-	(606)	(394)	4,614
Provisions	11,195	-	-	-	(792)	10,403
Retirement benefits obligation	8,729	1,847	718	(6,267)	(594)	4,433
Loss carry forward	48,480	-	-	-	(3,431)	45,049
Total	74,018	1,847	718	(6,873)	(5,211)	64,499

Separate financial statements

(Charged) / Credited to :

	At 1 January 2020	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income	At 31 December 2020
Deferred tax assets				
Retirement benefits obligation	48	6	-	54
Total	48	6	-	54

Separate financial statements

(Charged) / Credited to :

	At 1 January 2020	Profit or loss	Other comprehensive income	Translation adjustments	At 31 December 2020
Deferred tax assets					
Retirement benefits obligation	1,447	184	-	(9)	1,622
Total	1,447	184	-	(9)	1,622

Separate financial statements

(Charged) / Credited to :

	At 1 January 2019	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income	At 31 December 2019
Deferred tax assets				
Retirement benefits obligation	21	29	(2)	48
Total	21	29	(2)	48

Separate financial statements

(Charged) / Credited to :

	At 1 January 2019	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Translation adjustments	At 31 December 2019
Deferred tax assets					
Retirement benefits obligation	681	878	(60)	(52)	1,447
Total	681	878	(60)	(52)	1,447

Deferred tax assets have not been recognised in respect of the following items:

Consolidated financial statements

	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Tax losses	21,815	16,155	682,670	489,141
Impairment losses on property, plant and equipment and related supplies and spare parts	7,840	10,051	245,342	304,324
Allowance for expected credit loss	6,293	3,179	196,931	96,254
Impairment losses on goodwill	2,027	1,614	63,432	48,869
Retirement benefits obligation	347	-	10,859	-
Total	38,322	30,999	1,199,234	938,588

Separate financial statements

	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Impairment losses on investments in subsidiaries	22,439	2,120	702,197	64,189
Allowance for expected credit loss	12,914	11,585	404,126	350,771
Tax losses	3,021	2,406	94,538	72,849
Total	38,374	16,111	1,200,861	487,809

The majority tax losses will expire from 2021-2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

21 Earnings (losses) per share

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the year ended 31 December 2020 and 2019 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar/ thousand shares)</i>	2019	2020 <i>(in thousand Baht/ thousand shares)</i>	2019
Loss attributable to ordinary shareholders of the Company (basic)	(109,654)	(24,258)	(3,436,176)	(751,000)
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329	1,413,329	1,413,329
Losses per share (basic)	(0.0776) <i>(in US dollar)</i>	(0.0172)	(2.4313) <i>(in Baht)</i>	(0.5314)
	Separate financial statements			
	2020 <i>(in thousand US Dollar/ thousand shares)</i>	2019	2020 <i>(in thousand Baht/ thousand shares)</i>	2019
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(202,865)	10,007	(6,276,890)	316,032
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329	1,413,329	1,413,329
Earnings (losses) per share (basic)	(0.1435) <i>(in US dollar)</i>	0.0071	(4.4412) <i>(in Baht)</i>	0.2236

22 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Consolidated financial statements				Total
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
<i>(in thousand US Dollar)</i>							
At 31 December 2020							
Financial assets							
Equity securities held for trading	9,714	-	9,714	-	9,714	-	9,714
Total other financial assets	9,714	-	9,714	-	9,714	-	9,714
Financial liabilities							
Long-term borrowings	-	57,413	57,413	-	60,744	-	60,744
Total Other financial liabilities	-	57,413	57,413	-	60,744	-	60,744
At 31 December 2019							
Financial assets							
Equity securities held for trading	8,207	-	8,207	-	8,207	-	8,207
Other debt securities held to maturity	-	4,000	4,000	-	4,011	-	4,011
Total other financial assets	8,207	4,000	12,207	-	4,011	-	4,011
Financial liabilities							
Long-term borrowings	-	55,799	55,799	-	57,826	-	57,826
Total Other financial liabilities	-	55,799	55,799	-	57,826	-	57,826

		Consolidated financial statements						
		Carrying amount		Fair value				
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
		<i>(in thousand Baht)</i>						
At 31 December 2020								
Financial assets								
	Equity securities held for trading	291,780	-	291,780	-	291,780	-	291,780
	Total other financial assets	291,780	-	291,780	-	291,780	-	291,780
Financial liabilities								
	Long-term borrowings	-	1,724,520	1,724,520	-	1,824,574	-	1,824,574
	Total Other financial liabilities	-	1,724,520	1,724,520	-	1,824,574	-	1,824,574
At 31 December 2019								
Financial assets								
	Equity securities held for trading	247,474	-	247,474	-	247,474	-	247,474
	Other debt securities held to maturity	-	120,616	120,616	-	120,948	-	120,948
	Total other financial assets	247,474	120,616	368,090	-	368,090	-	368,090
Financial liabilities								
	Long-term borrowings	-	1,682,563	1,682,563	-	1,743,806	-	1,743,806
	Total Other financial liabilities	-	1,682,563	1,682,563	-	1,743,806	-	1,743,806

Financial instruments measured at fair value

Type	Technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.

Financial instruments not measured at fair value

Type	Valuation technique
Debt securities and other financial liabilities	Discounted cash flows.

(b) Movement of marketable equity and debt securities

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Equity securities held for trading				
At 1 January	8,207	6,236	247,474	202,357
Purchase	2,000	1,000	60,074	30,154
Disposal	(2,000)	(3,500)	(60,074)	(105,539)
Transfer	1,000	4,500	30,037	135,693
Fair value adjustment	507	(29)	16,401	(1,561)
Translation Adjustment	-	-	(2,132)	(13,630)
At 31 December	9,714	8,207	291,780	247,474

	Consolidated financial statements			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Other debt securities held to maturity				
At 1 January	4,000	11,800	120,616	382,908
Purchase	-	1,000	-	30,154
Disposal	(3,000)	(4,300)	(90,111)	(129,662)
Transfer	(1,000)	(4,500)	(30,037)	(135,693)
Fair value adjustment	-	-	-	-
Translation adjustment	-	-	(468)	(27,091)
At 31 December	-	4,000	-	120,616

(c) Financial risk management policies*Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) Trade accounts receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements				Allowance for expected credit loss
	Trade accounts receivables	Contract assets	Retention Receivables	Total carrying amounts	
<i>At 31 December 2020</i>					
	<i>(in thousand US Dollar)</i>				
Within credit terms	13,903	1,596	7,028	22,527	-
Overdue:					
Less than 3 months	5,818	-	-	5,818	(19)
3-6 months	984	-	-	984	(101)
6-12 months	1,020	-	-	1,020	(75)
Over 12 months	3,149	-	-	3,149	(3,149)
Total	24,874	1,596	7,028	33,498	(3,344)
Less allowance for expected credit loss	(3,344)	-	-	(3,344)	
Net	21,530	1,596	7,028	30,154	

Consolidated financial statements					
	Trade accounts receivables	Contract assets	Retention Receivables	Total carrying amounts	Allowance for expected credit loss
At 31 December 2020					
	<i>(in thousand Baht)</i>				
Within credit terms	417,605	47,939	211,101	676,645	-
Overdue:					
Less than 3 months	174,756	-	-	174,756	(571)
3-6 months	29,557	-	-	29,557	(3,034)
6-12 months	30,638	-	-	30,638	(2,252)
Over 12 months	94,587	-	-	94,587	(94,587)
Total	747,143	47,939	211,101	1,005,885	(100,444)
Less allowance for expected credit loss	(100,444)	-	-	(100,444)	
Net	646,699	47,939	211,101	905,739	

Consolidated financial statements					
	Trade accounts receivables	Contract assets	Retention Receivables	Total carrying amounts	Allowance for expected credit loss
At 31 December 2019					
	<i>(in thousand US Dollar)</i>				
Within credit terms	9,432	5,849	7,479	22,760	-
Overdue:					
Less than 3 months	11,318	-	-	11,318	(126)
3-6 months	4,604	-	-	4,604	(325)
6-12 months	69	-	-	69	(69)
Over 12 months	7,706	-	-	7,706	(3,700)
Total	33,129	5,849	7,479	46,457	(4,220)
Less allowance for expected credit loss	(4,220)	-	-	(4,220)	
Net	28,909	5,849	7,479	42,237	

Consolidated financial statements					
	Trade accounts receivables	Contract assets	Retention Receivables	Total carrying amounts	Allowance for expected credit loss
At 31 December 2019					
	<i>(in thousand Baht)</i>				
Within credit terms	284,412	176,371	225,522	686,305	-
Overdue:					
Less than 3 months	341,283	-	-	341,283	(3,799)
3-6 months	138,829	-	-	138,829	(9,800)
6-12 months	2,081	-	-	2,081	(2,081)
Over 12 months	232,367	-	-	232,367	(111,570)
Total	998,972	176,371	225,522	1,400,865	(127,250)
Less allowance for expected credit loss	(127,250)	-	-	(127,250)	
Net	871,722	176,371	225,522	1,273,615	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The normal credit term granted by the Group ranges from 30 days to 90 days.

<i>Movement of allowance for expected credit loss of trade accounts receivables and contract assets</i>	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
At 1 January	4,220	2,818	127,250	91,444
Addition	272	1,484	8,404	48,121
Reversal	(343)	-	(10,678)	-
Write-off	(805)	(82)	(25,186)	(2,661)
Translation adjustment	-	-	654	(9,654)
At 31 December	3,344	4,220	100,444	127,250

- (c.1.2) Other accounts receivable, short-term loans to related parties, long-term loans and other non-current receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each related party. However, management also considers the factors that may influence the credit risk, including the default risk associated with the industry and country in which they operate. The Group's policy is to provide other accounts receivable and short-term loans only if the related party was judged by management to have low credit risk at initial recognition. Impairment on other accounts receivable and short-term loans have been measured on the 12-month expected loss basis or the lifetime expected loss basis if the Group becomes aware of a significant increase in the related party's credit risk at the reporting date.

The following table presents the exposure to credit risk for other accounts receivable, short-term loans, long-term loans and other non-current receivable at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

	Consolidated financial statements			
	12-months ECL	Lifetime ECL- not credit-impaired	Lifetime ECL- credit-impaired	Total
	<i>(in thousand Dollar)</i>			
At 31 December 2020				
Other accounts receivable	5,032	110	7,542	12,684
Short-term loans to related party	-	-	18,350	18,350
Long-term loans	-	-	498	498
	5,032	110	26,390	31,532
Less allowance for expected credit loss	-	-	(26,390)	(26,390)
Net	5,032	110	-	5,142

Consolidated financial statements

	12-months ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
<i>(in thousand Dollar)</i>				
At 31 December 2019				
Other accounts receivable	3,646	12	7,543	11,201
Short-term loans	-	-	18,350	18,350
	3,646	12	25,893	29,551
Less allowance for expected credit loss	-	-	(18,379)	(18,379)
Net	3,646	12	7,514	11,172

Consolidated financial statements

	12-months ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
<i>(in thousand Baht)</i>				
At 31 December 2020				
Other accounts receivable	151,147	3,305	226,540	380,992
Short-term loans	-	-	551,181	551,181
Long-term loans	-	-	14,958	14,958
	151,147	3,305	792,679	947,131
Less allowance for expected credit loss	-	-	(792,679)	(792,679)
Net	151,147	3,305	-	154,452

At 31 December 2019

Other accounts receivable	109,941	362	227,451	337,754
Short-term loans	-	-	553,326	553,326
	109,941	362	780,777	891,080
Less allowance for expected credit loss	-	-	(554,200)	(554,200)
Net	109,941	362	226,577	336,880

<i>Movement of allowance for expected credit loss</i>	Consolidated financial statements			
	Other account receivable	Short-term loans	Long-term loans	Total
	<i>(in thousand Dollar)</i>			
<i>Lifetime ECL credit impaired</i>				
At 1 January 2019	-	-	-	-
Net remeasurement of loss allowance	5,400	12,979	-	18,379
At 31 December 2019 and at 1 January 2020	5,400	12,979	-	18,379
Net remeasurement of loss allowance	2,142	5,371	-	7,513
New financial assets acquired	-	-	498	498
At 31 December 2020	7,542	18,350	498	26,390

<i>Movement of allowance for expected credit loss</i>	Consolidated financial statements			
	Other account receivable	Short-term loans	Long-term loans	Total
	<i>(in thousand Baht)</i>			
<i>Lifetime ECL credit impaired</i>				
At 1 January 2019	-	-	-	-
Net remeasurement of loss allowance	163,501	392,978	-	556,479
Translation adjustment	(670)	(1,609)	-	(2,279)
At 31 December 2019 and at 1 January 2020	162,831	391,369	-	554,200
Net remeasurement of loss allowance	67,102	168,256	-	235,358
New financial asset acquired	-	-	15,245	15,245
Translation adjustment	(3,393)	(8,444)	(287)	(12,124)
At 31 December 2020	226,540	551,181	14,958	792,679

	Separate financial statements			Total
	12-months ECL	Lifetime ECL-not credit-impaired	Lifetime ECL-credit-impaired	
	<i>(in thousand Dollar)</i>			
At 31 December 2020				
Other accounts receivable	220	235	2,809	3,264
Short-term loans	-	-	7,127	7,127
Other non-current receivable	-	-	50,304	50,304
Long-term loan	-	-	60,391	60,391
	220	235	120,631	121,086
Less allowance for expected credit loss	-	-	(64,568)	(64,568)
Net	220	235	56,063	56,518

	Separate financial statements			Total
	12-months ECL	Lifetime ECL- not credit-impaired (in thousand Dollar)	Lifetime ECL- credit-impaired	
At 31 December 2019				
Other accounts receivable	275	44	154,394	154,713
Short-term loans	-	-	75,658	75,658
	275	44	230,052	230,371
Less allowance for expected credit loss	-	-	(57,928)	(57,928)
Net	275	44	172,124	172,443

	Separate financial statements			Total
	12-months ECL	Lifetime ECL- not credit-impaired (in thousand Baht)	Lifetime ECL- credit-impaired	
At 31 December 2020				
Other accounts receivable	6,608	7,059	84,374	98,041
Short-term loans	-	-	214,074	214,074
Other non-current receivable	-	-	1,510,987	1,510,987
Long-term loan	-	-	1,813,970	1,813,970
	6,608	7,059	3,623,405	3,637,072
Less allowance for expected credit loss	-	-	(1,939,435)	(1,939,435)
Net	6,608	7,059	1,683,970	1,697,637

At 31 December 2019				
Other accounts receivable	8,292	1,327	4,655,596	4,665,215
Short-term loans	-	-	2,281,391	2,281,391
	8,292	1,327	6,936,987	6,946,606
Less allowance for expected credit loss	-	-	(1,746,761)	(1,746,761)
Net	8,292	1,327	5,190,226	5,199,845

<i>Movement of allowance for expected credit loss</i>	Separate financial statements				Total
	Other account receivable	Short-term loans	Other non-current receivable	Long-term loans	
	<i>(in thousand Dollar)</i>				
<i>Lifetime ECL credit impaired</i>					
At 1 January 2019	33,417	2,109	-	19,740	55,266
Net remeasurement of loss allowance	(1,202)	(298)	-	4,162	2,662
Reclassification	-	23,902	-	(23,902)	-
At 31 December 2019 and at 1 January 2020	32,215	25,713	-	-	57,928
Net remeasurement of loss allowance	1,127	5,315	-	-	6,442
Unrealised losses on exchange	6,379	93	-	-	6,472
Reclassification	(30,638)	(23,994)	30,638	23,994	-
Write off	(6,274)	-	-	-	(6,274)
At 31 December 2020	2,809	7,127	30,638	23,994	64,568

<i>Movement of allowance for expected credit loss</i>	Separate financial statements				Total
	Other account receivable	Short-term loans	Other non-current receivable	Long-term loans	
	<i>(in thousand Baht)</i>				
<i>Lifetime ECL credit impaired</i>					
At 1 January 2019	1,084,375	68,437	-	640,559	1,793,371
Net remeasurement of loss allowance	(36,394)	(13,604)	-	83,146	33,148
Reclassification	-	723,705	-	(723,705)	-
Translation adjustment	(76,570)	(3,188)	-	-	(79,758)
At 31 December 2019 and at 1 January 2020	971,411	775,350	-	-	1,746,761
Net remeasurement of loss allowance	34,502	162,717	-	-	197,219
Unrealised losses on exchange	191,607	2,793	-	-	194,400
Reclassification	(920,277)	(720,710)	920,277	720,710	-
Write off	(196,544)	-	-	-	(196,544)
Translation adjustment	3,675	(6,076)	-	-	(2,401)
At 31 December 2020	84,374	214,074	920,277	720,710	1,939,435

(c.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited which the Group considers to have low credit risk.

(c.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
<i>Thai Baht</i>				
Cash and cash equivalents	457	1,680	90	796
Trade accounts receivable	1	291	-	-
Receivables from related parties	-	-	34	117,991
Long-term loans to related parties	-	-	36,397	36,256
Trade accounts payable	(266)	(1,273)	-	-
Other accounts payable	(610)	(909)	(438)	(699)
Gross balance sheet exposure	(418)	(211)	36,083	154,344
<i>Singapore Dollar</i>				
Cash and cash equivalents	102	75	-	-
Trade accounts payable	(26)	(37)	-	-
Other accounts payable	(59)	(140)	-	-
Gross balance sheet exposure	17	(102)	-	-
<i>Qatari Rial</i>				
Cash and cash equivalents	275	405	-	-
Restricted cash equivalent	-	1,070	-	-
Trade accounts payable	(37)	(675)	-	-
Other accounts payable	(59)	(217)	-	-
Gross balance sheet exposure	179	583	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Thai Baht, Singapore Dollar and Qatari Rial against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Consolidated financial statements					
		Profit or loss		Profit or loss	
<i>At 31 December 2020</i>	Movement (%)	Strengthening <i>(in thousand US Dollar)</i>	Weakening	Strengthening <i>(in thousand Baht)</i>	Weakening
Thai Baht	10	(46)	38	(1,394)	1,140
Singapore Dollar	10	2	(2)	56	(46)
Qatari Rial	10	20	(16)	596	(487)

Separate financial statements					
		Profit or loss		Profit or loss	
<i>At 31 December 2020</i>	Movement (%)	Strengthening <i>(in thousand US Dollar)</i>	Weakening	Strengthening <i>(in thousand Baht)</i>	Weakening
Thai Baht	10	4,009	(3,280)	120,422	(98,527)

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 12). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital.

24 Guarantees

As at 31 December 2020 and 2019, the Group and the Company had outstanding guarantees as follows:

Consolidated financial statements									
		2020				2019			
		thousand Baht	thousand USD	thousand SAR	thousand QAR	thousand Baht	thousand USD	thousand SAR	thousand QAR
Letters of guarantee issued by financial institutions in the normal course of business		400	15,683	4,350	-	15,600	4,434	4,350	3,878
Guarantee for long-term borrowings of subsidiary to financial institution		-	57,600	-	-	-	56,000	-	-

	Separate financial statements			
	2020		2019	
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	400	-	400	-
Guarantee for long-term loans of subsidiaries to financial institutions	-	57,600	-	56,000

25 Other events

The Group, through its other indirect subsidiary Seascope Surveys Pte. Ltd. (“SSS”), is a party to or involved in a legal proceedings in Indonesia related to the shareholdings and management affairs of PT Seascope Surveys Indonesia (“PTSSI”). A tort lawsuit was filed in the South Jakarta District Court by Seascope Surveys alleging that Ms. Margaretta Retno Sundari and other co-defendants had engaged in unlawful acts related to the transfer of ownership of 368 (46%) shares in PTSSI. As a first step in the lawsuit, the court had directed the parties to attempt mediation and to consider mediation proposals.

26 Commitments with non-related parties

The future aggregate minimum lease payments under operating lease are as follows:

	Consolidated financial statements			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	153	268	4,596	8,081
Total	153	268	4,596	8,081

27 Events after the reporting period

Increase in share capital of a joint venture

At the Extraordinary General Meeting of shareholders of ZeaQuest Co., Ltd., (“ZeaQuest”), held on 30 December 2020, the shareholders approved to increase the share capital of ZeaQuest by Baht 150.0 million through the issuance of 1,500,000 new ordinary shares with a par value of Baht 100 each. The shares were 43.88% paid up by the existing shareholders in proportion to their shareholdings. The increase in share capital of ZeaQuest were registered on 11 January 2021 with Department of Business Development. Subsequently, on 25 February 2021, ZeaQuest additionally called for the remaining share subscriptions at Baht 56.12 per share, totalling Baht 43.49 million.

Reduction of share capital

At the Board of Directors Meeting held on 25 February 2021, the directors approved to decrease the Company's authorised share capital that have remained unissued or unallocated under the employee share option plans and other purposes previously approved by the Company, all of which have expired, of 3,371,840 shares at par value of Baht 1.0 each. The existing authorised share capital of Baht 1,416,700,697, divided into 1,416,700,697 shares, will be decreased to Baht 1,413,328,857, divided into 1,413,328,857 shares. The reduction of share capital is subject to shareholders' approval.

Increase of share capital to existing shareholders in proportion to their shareholding percentage and issue of warrants

At the Board of Directors Meeting held on 25 February 2021, the directors approved to propose a non-renounceable non-underwritten rights issue combined warrants exercisable into shares and private placement. New ordinary shares will be offered on the basis of one (1) new ordinary share ("New Share") for every twenty (20) existing ordinary shares with a par value of Baht one (1) each in the capital of the Company. Each New Share shall attach twenty (20) free detachable warrants, each warrant exercisable into one (1) ordinary share with a par value of Baht one (1) each. Following the rights issue and allotment of excess New Shares, any remaining unsubscribed excess New Shares together with their attached warrants shall be placed by way of a private placement. The proposed price of each New Share shall be SGD 0.08. The proposed exercise price of each warrant shall be SGD 0.08. The private placement price per share shall be at a price no lower than the New Share price. Based on the existing share capital, in the event that all New Shares are subscribed, the Company will allot and issue 70,666,443 new ordinary shares and 1,413,328,857 warrants exercisable into shares. The increase of share capital to existing shareholders in proportion to their shareholding percentage and issue of warrants exercisable into shares and private placement are subject to shareholders' approval.


THE COMPANY

Name of Company	Mermaid Maritime Public Company Limited
Place of Incorporation	Kingdom of Thailand
Registration No.	0107550000017
In Business Since	1983
Public Company Since	15 January 2007
Date of Listing	16 October 2007
Place of Listing	Singapore Stock Exchange
Company Secretary	Dr. Vincent Siaw
Corporate Head Office (Location of Register of Securities)	No. 26/28-29, Orakarn Building, 9 th Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand
Telephone	+662 255 3115 (local dial 02 255 3115) +662 255 3116 (local dial 02 255 3116)
Facsimile	+662 255 1079 (local dial 02 255-1079)
Type of Business	Subsea Engineering Services and Investments
Registered Capital	Baht 1,416,700,697
Paid-up Capital	Baht 1,413,328,857
No. of Issued Shares	1,413,328,857 ordinary shares
Par Value/Share	Baht 1
Corporate Website:	http://www.mermaid-group.com
Investor Relations E-mail:	ir@mermaid-group.com (as at 31 December 2020)

Mermaid Maritime Public Company Limited

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