



ANNUAL  
REPORT  
**2023**



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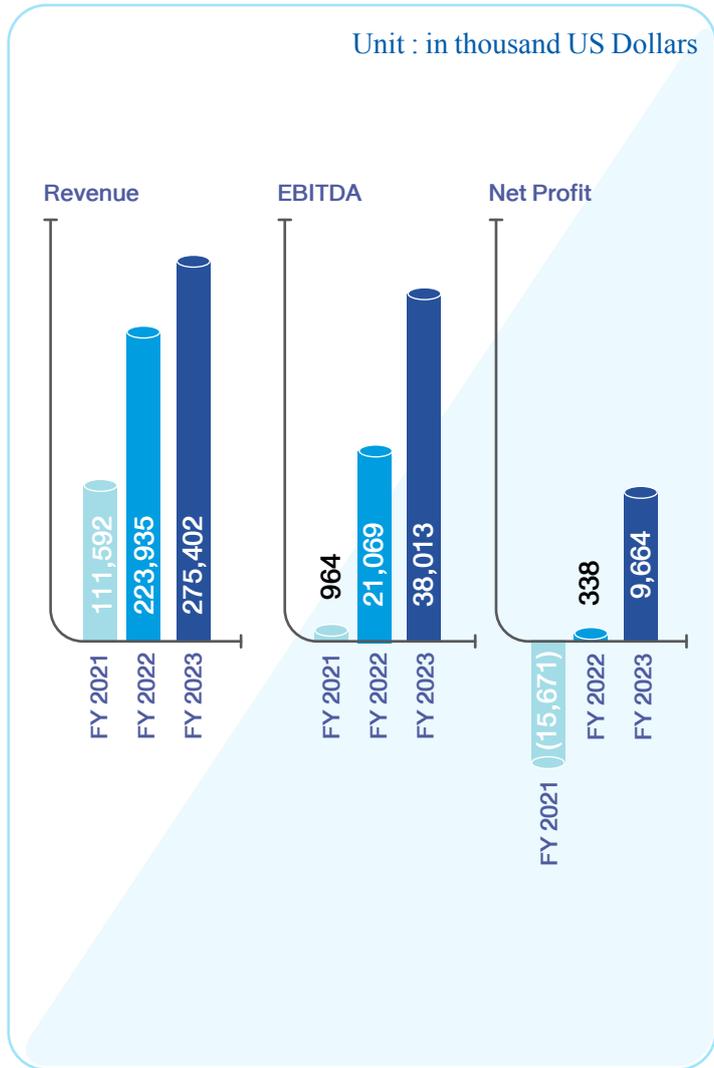
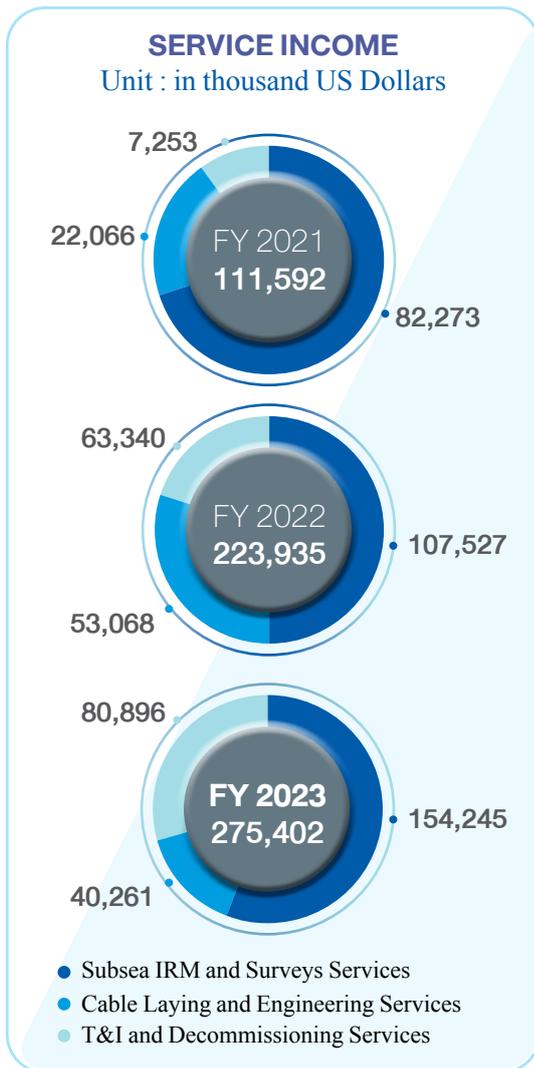
Financial Statements

# Financial Highlights

(Consolidated numbers)

	Unit	Year Ended 31 December		
		2021	2022	2023
Revenue from rendering of services	Thousand USD	111,592	223,935	275,402
EBITDA	Thousand USD	964	21,069	38,013
Net profits (losses)	Thousand USD	(15,671)	338	9,664
Book value per share	USD	0.11	0.11	0.12
Return on shareholders' equity	%	(9.27)	0.21	5.83
Net profits (losses) margin	%	(14.04)	0.15	3.51
Total debt to total capitalisation	times	0.24	0.20	0.32
Net gearing*	%	20.32	15.71	21.06

\*Excluded lease liabilities



## Message from the Chairman

**DEAR VALUE SHAREHOLDERS,**

I am delighted to present to you the detailed annual report for the fiscal year 2023, marking a year of significant challenges and remarkable triumphs within our industry. The global subsea market has displayed extraordinary resilience in navigating the short-term disruptions caused by the COVID-19 pandemic and the Russia-Ukraine war. Despite the volatility stemming from supply and shipping disruptions, global energy prices have adjusted, offering a stable outlook for the future, contingent upon unforeseen black swan events.

**MR. PRASERT BUNSUMPUN**  
CHAIRMAN OF THE BOARD



## REGIONAL SUBSEA MARKET GROWTH TRAJECTORIES:

Our optimism for the industry is rooted in the remarkable growth trajectories witnessed in regional subsea markets. In 2022, the Middle East and Africa subsea market attained a valuation of US\$7.086 billion, projecting a compound annual growth rate (CAGR) of 23.4% between 2023 and 2030, with an ambitious target of reaching US\$37.290 billion by 2030. Similarly, the Asia Pacific subsea market, valued at US\$6.738 billion in 2022, anticipates a CAGR of 18.7%, aiming to reach US\$26.141 billion by 2030. The European Subsea market, valued at US\$6.165 billion in 2022, is poised for a CAGR of 8.7%, targeting US\$11.858 billion by 2030<sup>1</sup>.

## REGIONAL HIGHLIGHTS:

Saudi Arabia aims to execute 110 enhanced capacity new development projects from 2024 to 2026, rumored to be worth hundreds of billions of US dollars<sup>2</sup>. These projects encompass 67 in oil, gas, and petrochemicals, 20 in pipelines, and 23 in infrastructure, which highlights the country's investment prospects. Saudi Aramco plans to maintain capacity at 12 million barrels per day. Analysts have said that the change in production plans for Saudi Aramco will not hit the demand for oilfield services and equipment in the kingdom.

Qatar, with 18 projects currently in capacity expansion development and an estimated CAPEX of US\$60.2 billion, maintains its status as the leading global exporter of liquefied natural gas (LNG). Furthermore, the West African market has allocated budgets exceeding US\$100 billion for the Subsea Sector, accompanied by Mozambique's commitment of US\$40 billion for Subsea Projects.



## EXPANDING MARKET CAPACITY AND DECOMMISSIONING:

Within the UK, our market capacity is expanding with the entry of new competitors, fostering healthy competition. Additionally, the anticipated Plug and Abandonment (P&A) decommissioning spend is expected to reach US\$20+ billion by 2030, averaging US\$2 billion annually for the decommissioning of 150-200 wells.

## KEY ACHIEVEMENTS:

The successful steering of the company back to profitability has resulted in a significant and long-awaited upturn in our share price. Mermaid Maritime Public Company Limited (MML), a prominent international subsea services company, announced that its subsidiaries have secured numerous new offshore project awards totaling approximately US\$485 million in Thailand, the Middle East, Western Sub Sahara, and the United Kingdom. With the addition of these new awards to existing ones, Mermaid has accumulated a substantial order backlog of US\$734 million.

The project awards encompass cable laying, IRM (inspection, repair, and maintenance), T&I (Transportation and Installation), decommissioning, and a range of related services set to commence in 2023 and anticipated to conclude in 2025.

Over the past two years on our level of the value chain, Mermaid has positioned itself as one of the world's fastest-growing companies. This highlighted by the establishment of new business units in the UK, South Africa, and West Africa. In the Asian market, the growing demand for energy has resulted in expanded potential work volume. Mermaid has capitalized on this opportunity by enhancing its business unit capabilities to cover the entire life cycle of offshore Oil and Gas operations, from field development to retirement. This strategic move has significantly bolstered Mermaid's backlog in the Southeast Asia region.

## MARKET POSITION AND DIVERSIFICATION:

Our aggressive business development strategies in key global markets (UK, West Africa, East Africa, Middle East, Asia Pacific) have not only increased our market share but also elevated us one tier in the value chain.

<sup>1</sup> DataM Intelligence 4Market Research, GLOBAL SUBSEA MARKET 2023-2030

<sup>2</sup> Staff Writer, Zawya Projects, Saudi Aramco plans 110 projects in 2024-2026, <https://www.zawya.com/en/projects/oil-and-gas/saudi-aramco-plans-110-projects-in-2024-2026-i8yy4qub>

**DIVERSIFIED SERVICE PORTFOLIO:**

Our service offerings have significantly expanded, encompassing key services and value-adding activities such as IRM, Cable & Flex Lay, ROV, Survey, Renewables, P&A, Decom, Ports, and Terminals.

**PROJECT AWARDS:**

Noteworthy Lump Sum Turnkey Project Awards, particularly in Cable & Flex Lay, have further strengthened our position in the industry.

**GLOBAL EXPANSION:**

The expansion of our global footprint, particularly in the UK, Africa, and Asia Pacific, has complemented our improved service offerings.

**FINANCIAL STRATEGY:**

Prudent financial management, including securing third-party tonnage at market prices, has successfully boosted revenue while maintaining a robust balance sheet.

**COST OPTIMIZATION:**

Despite challenges, we have demonstrated effective cost optimization and comparatively lowered our cost base while doubling turnover.

**CLIENT ENGAGEMENT:**

Reengaging with old customers and establishing new customer relationships have been pivotal in our business revival.

**STRATEGIC FOCUS ON ASIA PACIFIC:**

Extensive focus on Asia Pacific operations has played a key role in reviving our business and strengthening our market position.

**ASSET UTILIZATION:**

Our owned assets have consistently enjoyed prominent levels of utilization, and strategic chartering of assets continues to support our growth targets.

**FUTURE OUTLOOK AND STRATEGIC INITIATIVES:**

A commitment to raising our group's profile in the public domain is aimed at further elevating our share price. Plans are underway to organically deploy into new markets, reducing dependence on specific

regions. Our goal is to become an integral part of our clients' bidding processes, positioning ourselves as part of their solution. In relation to Risk Mitigation and Talent Acquisition: Identifying and hiring catalysts within our industry will create self-sustaining "silos," reducing risk and enhancing shareholder security. Retaining and reinforcing our position on the value chain as a subcontractor is pivotal for sustained growth and success. Focused deployment of assets aims to meet growth targets and seize opportunities in key regions such as Qatar, the UK, and Africa. Efforts are underway to rebuild our support services infrastructure, ensuring it is fit for business and well-positioned for the anticipated growth cycle based on significant project awards achieved in 2021-2023.

**CORE BUSINESS FOCUS AND NEW MARKETS:**

The Cable Division and key personnel remain significant drivers of business turnaround in the short term. The sales backlog for 2023/2024/2025 in the Middle East is secured, and the revived business in Asia Pacific is pivotal for shareholder value. Continued focus on IRM, re-bidding, increased emphasis on Saudi Arabia & Qatar markets, and geographic expansion into the UK and Africa with service offering upgrades, including Ports and Terminals. The bidding strategy is currently focused on projects with defensible profit margins aligned with business development efforts.

**REGAINING MARKET COVERAGE:**

Expansion in the Middle East, with Cable Lay leading the charge, is in full swing and delivering above expectations. The extensive focus on Asia Pacific to revive business is paying dividends, with encouraging project awards reinvigorating momentum. Mermaid's expansion into West Africa is showing early success, with long-term project awards in Angola already achieved. Mermaid's expansion into the mature UK oil province has been vindicated with early project awards and significant opportunities ahead. The Dubai office is now the hub for all general management and business development in the Western region.

**MAINTAINING OPERATIONAL EXCELLENCE:**

We maintain an excellent operational and safety record. The Mermaid Asiana, Millennium 3, and Endurer continue to operate in the Middle East and will remain in the region for the foreseeable future. Expectations for considerably higher utilization throughout 2024-2026, with all three vessels currently



deployed. Actively engaged in contracts in Asia, Africa, and the UK, vessel mobility is viewed as a key vehicle towards achieving organic growth. A healthier forward book has been built, and continuous monitoring of the need for appropriate tonnage is in place, with proactive reactions to establish exclusive partnerships in the bidding arena.

#### **FISCAL DISCIPLINE AND INVESTMENT STRATEGY:**

A significant increase in focus and understanding of Direct Project Costs is planned, with budgeting protocols to be strictly adhered to. Focus on sources of finance and availability of cash or instruments is a priority to meet the working capital requirements of upcoming projects. The disposal of non-performing assets, including Mermaid Commander, is underway, and a review of other non-performing assets, such as older ROVs and Mobile SAT Spreads, is in progress. Aligning financial and operational moments aims to enable the highest levels of utilization of key vessels or assets with minimal acceptable impact on downtime and risk to life.

#### **INVESTMENT STRATEGY:**

To achieve greater stability and more consistent returns on deployed capital, a focus on medium- and long-term contracts is paramount. The objective is to render value for money at a world-class level through excellence in commercial oil field diving and associated vessel deployment and relevant ancillary services.

#### **EXPANDING MARKET CAPACITY AND DECOMMISSIONING:**

Our market capacity is expanding with the entry of new competitors, fostering healthy competition. Additionally, the well Plug and Abandonment (P&A) decommissioning spend is anticipated to reach US\$20+ billion by 2030, averaging US\$2 billion per annum for the decommissioning of 150-200 wells.

Looking ahead, we anticipate a significant increase in Opex and Capex budgets in the intermediate term. This expectation aligns with current market trends, reinforcing the positive momentum we are witnessing.

In conclusion, I want to express my sincere gratitude to our dedicated team, valued shareholders, and esteemed stakeholders for their unwavering support. Despite the challenges faced, our industry has demonstrated resilience and adaptability. I am confident that our strategic initiatives and the promising market outlook will contribute to sustained growth and success in the years to come.

Thank you for your continued support.

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”), Transportation and Installation (“T&I”) 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, UK, Africa, 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 40 years and we are today present in five geographical regions with a team of over 1,000 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 shareholders.



## Honorary Adviser Statement

**“To ensure success in any venture, it is crucial to have the right group of executives who are passionate and share a common vision. As stakeholders, we must have the wisdom, judgment, and the foresight to select the right leader to drive the organization’s corporate vision.”**

**PRAYUDH MAHAGITSIRI  
HONORARY ADVISER**



## The Board of Directors

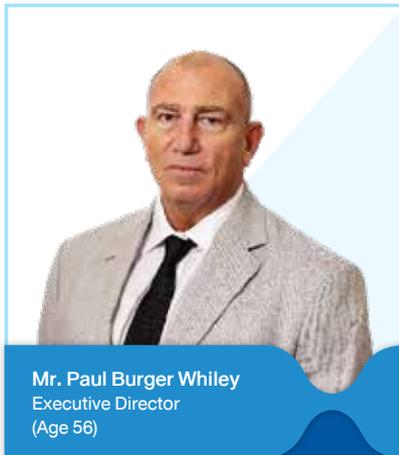
The Board of Directors (“Board”) is responsible for the overall management and strategic direction of Mermaid. The Board is required to meet on a quarterly basis to review and monitor our financial position and operations and to, among other things, approve adequacy of internal controls, risk management, 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 consists 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., Clover Power Plc., SVI Plc., and AIRA Capital Plc., and as a director on the board of 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., Intouch Holdings Plc., Thaicom 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. Prasert 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, Personal Data Protection Act, Regnar Corporation Company Limited 2022 and Cybersecurity Awareness Session, CloudSec Asia Co., Ltd, 2023.



**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., Chief Executive Officer of Thai Future Incorporation Public Company Limited 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 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 and Personal Data Protection Act, Regnar Corporation Company Limited 2022.



**Mr. Paul Burger Whiley** was appointed to the Mermaid Board on the 20th of November 2021. He is a co-founder of 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 Mermaid, working as the Chief Operating Officer. Mr. Whiley’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. Mr. Whiley 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].

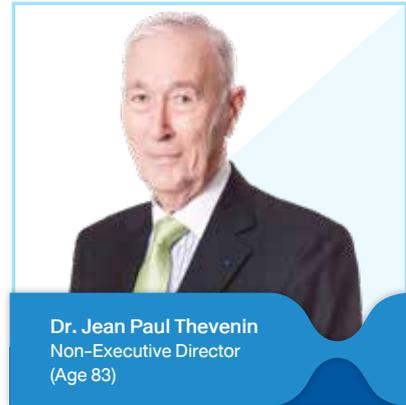
**Dr. Jean Paul Thevenin** has a Doctorate Degree (Ph.D.) in Metallurgy from Orsay University in France and has produced many publications in the field of steel and the steel industry, where he developed his longstanding career. He also serves as a director of Thoresen Thai Agencies Plc. and PM Thoresen 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 the Singapore Office Managing Partner and Head of the Asia international arbitration practice of Mayer Brown PK Wong & Nair Pte Ltd., 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, Mr. Tay sits regularly as presiding, sole and co-arbitrator in ICC, SIAC, LCIA, VIAC, HKIAC and ad hoc arbitrations. Mr. Tay 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), 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, Mr. Tay 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 involved in 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 in the field of reduction of wear of coal grinding mills in South African Power Industry.

Note: Pursuant to the Articles of Association of the Company, Mr. Prasert Bunsumpun and Dr. Jan Jozef Skorupa are scheduled to retire from the Board by rotation at the next Annual General Meeting of Shareholders No. 01/2024. Mr. Prasert Bunsumpun shall be seeking re-election for another term at that general meeting. For additional information on Director seeking re-election, please refer to the section on "General Disclosures" in this Annual Report.



**Dr. Jean Paul Thevenin**  
Non-Executive Director  
(Age 83)



**Mr. Tang Kee Fei**  
Independent Director  
(Age 68)



**Mr. Tay Yu-Jin**  
Independent Director  
(Age 49)



**Dr. Jan Jozef Skorupa**  
Independent Director  
(Age 77)

## Message from CEO

At Mermaid, we stand at the forefront of the Maritime Services industry, embracing a forward-looking approach that drives our commitment to sustainable excellence and innovation. Our core mission revolves around merging these principles, ensuring that our services are not only of the highest quality but also safe and environmentally appropriate.

**MR. CHALERMCHAI MAHAGITSIRI**  
EXECUTIVE VICE CHAIRMAN AND CEO



At Mermaid, we stand at the forefront of the Maritime Services industry, embracing a forward-looking approach that drives our commitment to sustainable excellence and innovation. Our core mission revolves around merging these principles, ensuring that our services are not only of the highest quality but also safe and environmentally appropriate.

In the offshore Oil and Gas sector, where we operate, this dedication takes precedence. We understand the critical importance of safeguarding the environment while safely delivering top-notch services to our clients. Therefore, every aspect of our operations is carefully crafted to align with these values.

Central to our strategic focus is rigorous risk management. By proactively identifying and mitigating potential risks, we create a foundation for continuous improvement across all facets of our business. This approach not only enhances operational efficiency but also ensures the safety of our personnel, the integrity of our processes, and the sustainability of our practices.

Our commitment to excellence extends beyond mere business objectives. We recognize our responsibility to the environment, our clients, and our people. By prioritizing sustainability and innovation, we not only meet the needs of today but also lay the groundwork for a brighter, more prosperous future for all stakeholders involved.

In essence, at Mermaid, we are not just providers of Maritime Services; we rather, are catalysts for positive change. Through our unwavering dedication to sustainable excellence and innovative practices, we aim to lead the industry towards a more environmentally driven, high-quality standard of service delivery. Our journey is not just about business success; it's about creating a lasting impact that benefits the environment, our clients, and our people alike.

**Vision:** With unwavering dedication to our clients, progress, and the planet, we lead in subsea excellence, innovating for a sustainable future. Together, we forge a legacy of positive impact for generations to come.

**Mission:** Our mission is to lead the global advancement of offshore energy service delivery, pioneering innovation at the forefront of the industry.

Thank you for your continued support.



Your Sincerely,

**Mr. Chalermchai Mahagitsiri**  
Executive Vice Chairman and CEO

## Key Executives



**Mr. Phiboon Buakhungamcharoen** joined Mermaid in June 2005 and was appointed Chief Financial Officer in February 2017. During his 16 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.

Mr. 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. Mr. Wilde 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. Mr. Pattarapol has over 15 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. Presently, he is the Deputy Chief Operating Officer..

**Mr. Hans Huijskens** is responsible for the submarine flexible product installation aspect of the business. Over the past 25 years, he has been 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. Mr. Huijskens holds a MSc degree from the University of Delft in Offshore Technology. Mr. Huijskens is residing in Dubai.



**Mr. Marc Bernardis** is the Country manager of Mermaid Subsea Services Saudi Arabia. Mr. Bernardis joined the group in 2013 and has successfully held various managerial positions including, Project manager and County manager. Mr. Bernardis 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 and has been instrumental in the ongoing expansion and continual development of Mermaid Subsea Services Saudi Arabia.



**Mr. Tyron Roworth** is the Country Manager of Mermaid Subsea Services Saudi Arabia. Since joining our group in 2014, Mr. Roworth has exemplified exceptional leadership, holding pivotal roles such as Offshore Construction Manager, Project Manager, and Operations Manager with resounding success.



With over 27 years of illustrious experience in the offshore and subsea sector, Mr. Roworth brings a wealth of expertise to the table. His extensive leadership tenure encompasses diverse domains including Diving, ROV, and Marine operations across key international oil and gas markets spanning Africa, the Americas, Far East, Middle East, and Australasia.

Mr. Roworth's journey began as a clearance diver in the South African Navy, igniting his passion for underwater operations. Under Mr. Roworth's leadership, Mermaid Subsea Services Saudi Arabia has flourished into the group's most successful business unit. His visionary approach has been instrumental in driving the expansion and continual development of various ventures, notably including the long-term IRM diving contract.

With Mr. Roworth at the helm, Mermaid Subsea Services Saudi Arabia is poised for further growth and innovation in the dynamic subsea industry.



**Mr. Lennox Thompson**  
(Country Manager  
- Qatar)

**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 in 2014, and is currently based in Qatar. Mr. Thompson has an extensive Diving and Offshore Background going back some 30 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, FMECA 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.



**Mr. Scott Cormack**  
(Regional Director) - UK & Europe

**Mr. Scott Cormack** joined the company in 2021, following 30 years' working in the global energy industry, including in oil, gas, nuclear and clean energy. He has been instrumental in the development of Mermaid Subsea Services (UK), consolidating the business's global track record by entering the mature North Sea basin just as it prepares to undergo its biggest evolution to date, with rapid growth in the decommissioning and renewables sectors. During his career, Mr. Cormack has built up a diverse portfolio of global offshore energy experience, with a technical and commercial focus on subsea activity, including construction, diving, IRM, LWIV, decommissioning and well P&A. Vast operational, commercial and general management experience complements his technical capabilities, as well as his strategic and business growth skills, and he has managed multi-million-dollar divisions for some of the world's largest Tier 1 service providers. With safety a constant at the top of his agenda, Mr. Cormack has been responsible for establishing Mermaid's UK business and diving capability, achieving ISO accreditation ahead of significant project work. He has also been the driving force in developing the company's collaborative, campaign approach to well P&A across the North Sea decom sector, resulting in a landmark multi-operator, multi-well campaign during 2022 which has cemented Mermaid's credentials in this field. Together with a growing team of operational and commercial experts, Mr. Cormack is committed to further developing the reputation of Mermaid Subsea Services (UK) as the subsea sector's leading collaborative partner.



**Miss Thanyada Apichottanachai**  
(Head of Human Resources)

**Miss Thanyada Apichottanachai** joined Mermaid Maritime in June of 2017 as the Group's Head of Human Resources. She is fully responsible for the Group's HR function, both Human Resource Management and Human Resource and Organization Development. She has extensive experience in human resources management and is primarily responsible for human capital and organizational development. Her full Spectrum of Human Resources management includes monitoring compensation benefits and welfare, work performance, talent management including management reward and recognition programs. Prior to joining Mermaid, she has held a number of leadership positions with several well-known multinational corporations. She obtained her undergraduate degree from the University of Illinois Chicago. She also holds a Master's Degree in Computer Information Systems from Bradley University in the United States.

Note: The above Key Executives are in addition to Mr. Chalermchai Mahagitsiri (Chief Executive Officer) and Mr. Paul Burger Whiley (Chief Operating Officer). Their profiles can be found in the section on Board of Directors section on Board of Directors.



# Global Presence

Area of our inspection, installation, repair and maintenance services (“IRM”), Transportation and Installation (T&I) and cable services.

## UK

Mermaid has a rich history of delivering assets and services to the European market. Building upon this legacy, the company established an office in Aberdeen in late 2021. With the backing of a seasoned local team, the Mermaid aims to expand steadily across various sectors within the mature North Sea basin. This expansion will focus on offering construction, diving, and engineering services tailored to the energy, decommissioning, and renewables markets.

## MIDDLE EAST

As our primary hub within the Group, Mermaid has consistently delivered our expertise and high-quality services to a diverse range of clients in the Middle East. This includes providing IRM services, cable laying services, and other specialized offerings to clients of varying operational scales.



## AFRICA

Africa has always been an integral part of our operational landscape, woven into the fabric of our extensive experience. Leveraging the mobility afforded by our vessels, which provides a significant advantage, Mermaid is once again this year reactivating our interest in, and actively seeking opportunities on both the West and East Coasts of Africa. We firmly believe that a substantial portion of the sustainability of our endeavors in IRM rests on this continent.

## ASIA PACIFIC AND SOUTH EAST ASIA

Mermaid has efficiently reclaimed its position in the growing Asian market. While the oil and gas sector remains highly competitive, we have expanded our focus to include the burgeoning renewables sector in ASEAN. Mermaid is strategically positioning itself to capitalize on the opportunities emerging in this space.

**40**

YEARS SINCE  
MERMAID MARITIME'S  
ESTABLISHMENT



**1000+**

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

**6 + 2\***

SUBSEA VESSELS

\*50% OWNERSHIP  
THROUGH MILLENNIUM 3 SHIP  
MANAGEMENT AND  
OPERATIONS FZCO AND LONG  
TERM CHARTER VAN GOGH



**3 + 15**

SATURATION  
AND AIR  
DIVING SYSTEMS

**11 + 3\*\***

REMOTELY OPERATED  
VEHICLES

\*\*50% OWNERSHIP  
TRANSPORTATION AND  
INSTALLATION (T&I) THROUGH  
ZEAQUEST CO., LTD.



## MERMAID FLEET PROFILE



### MERMAID ENDURER (BUILT IN 2008)

The DSV 'Mermaid Endurer' is a Norwegian purpose-built DP2 dive support and light construction vessel specifically designed for operations in severe weather conditions such as those found in the North Sea. The vessel has high maneuverability 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. Additionally, 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. It features 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 features 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 the 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 2008)

The RSV 'Mermaid Sapphire' is a DP2 remotely operated vehicle ("ROV") support vessel equipped with a deep-water 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.

*(Remarks: Long term charter)*



### MERMAID CHALLENGER (BUILT IN 2006)

The MV 'Mermaid Challenger' is a DP1 offshore support vessel with a bollard-pull capacity of 72 tonnes, making it 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.



### RESILIENT (BUILT IN 2007)

The Barge Resilient is a Derrick Pipe Lay Barge with a clear deck area of 1,200 m2 and accommodation for up to 284 personnel with the Panama flag. This barge is suitable for operations such as Pipe-laying Operations, Offshore Operations Support, and Flotel.



### MILLENNIUM 3 (YEAR BUILT/CONVERSION - 2011/2018)

The SV 'Millennium 3' is a self-propelled DP2 construction support barge, with 8-point mooring system and 300 tonnes main crane. This vessel is currently configured for flex- and cable-lay and has accommodation for 239 personnel. The MV 'Millennium 3' is BV classed and flies the Comoros flag.

*(Remark: 50% ownership through Millennium 3 Ship Management And Operations DMCCO)*

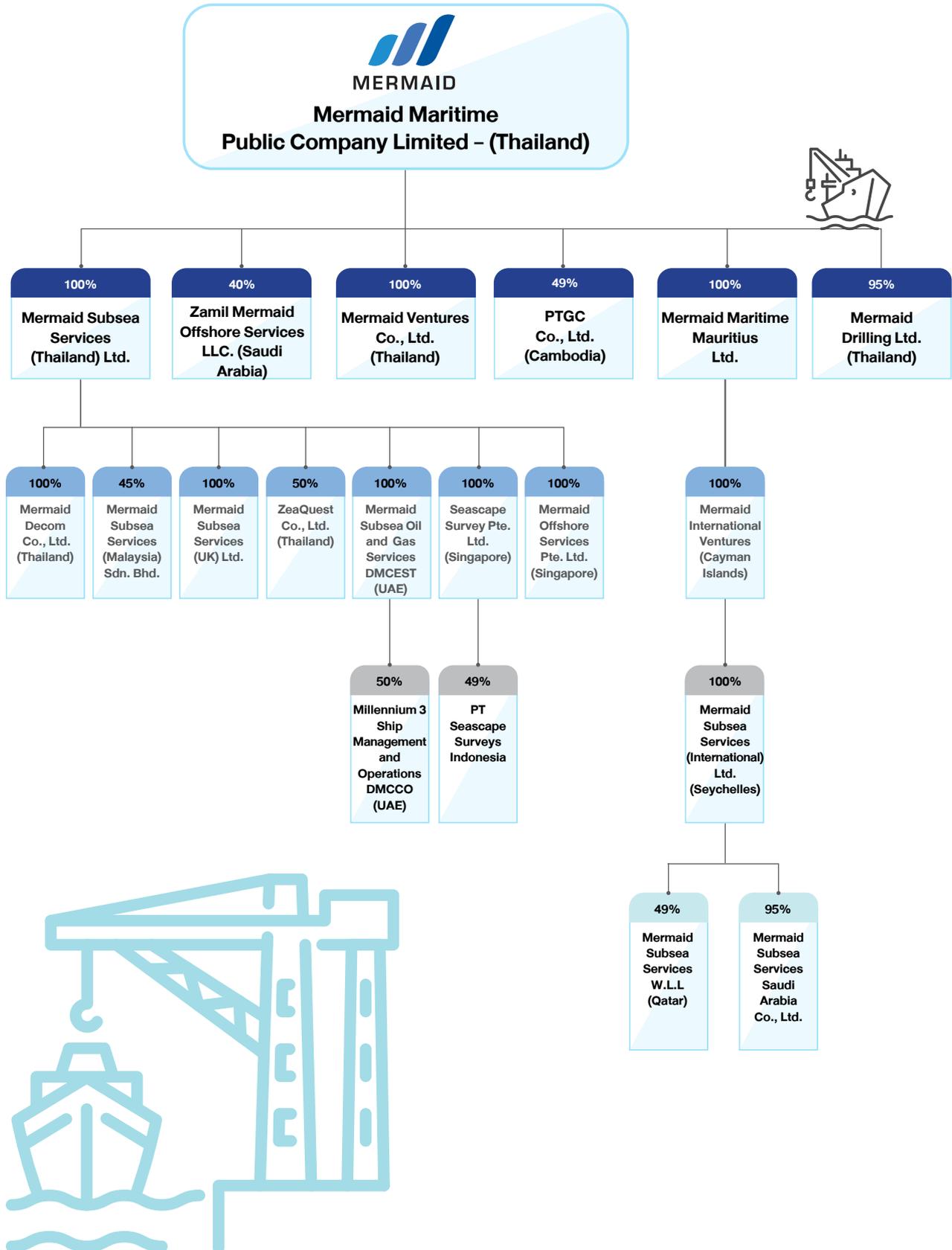


### VAN GOGH (BUILT IN 2019)

Van Gogh Diving Support Construction Vessel is an advanced and high-specification vessel designed for deep-water deployment worldwide. It represents the pinnacle of technology as a state-of-the-art DP2 Multipurpose Diving Support Vessel, SPS Code 2008. It is equipped with an 18-man single-bell saturation system for depths down to 300 meters. Van Gogh has its own moonpool, an air diving system, outfitted with 1 Work Class and 1 Observation remotely operated vehicle with LARS. Van Gogh is equipped with diesel-electric frequency-controlled propulsion, highly efficient azimuth thrusters, a dynamic positioning system, and 1501 offshore cranes (3,000m water depth). A large platform deck with 1,000 m2 deck space suitable for wellhead servicing, inspection and construction diving, and ROV support. Van Gogh accommodates up to 120 personnel and is an optimized hull design with excellent characteristics for deployment worldwide. Van Gogh is DNV GL classed and flies Bahamas flag.

*(Remarks: Long term charter)*

# Corporate Structure



# MERMAID GROUP COMPANIES

As at 31 December 2023

No.	Company	Type of Business	Place of Incorporation	Date of Incorporation	Type of Share	Paid-up Capital	Shares Issued	% of Mermaid Shareholding
1.	Mermaid Maritime Public Company Limited	Holding	Thailand	15 January 2007*	Ordinary	THB 1,413,328,857	1,413,328,857	-
2.	Mermaid Subsea Services (Thailand) Ltd.	Subsea	Thailand	24 June 2003	Ordinary	THB 2,130,000,000	213,000,000	100% (direct)
4.	Mermaid Subsea Services (International) Ltd.	Subsea	Seychelles	05 March 2008	Ordinary	USD 1	1	100% (indirect)
4.	Mermaid Subsea Services W.L.L	Subsea	Qatar	11 November 2008	Ordinary	QAR 200,000	200	49% (indirect)
5.	Mermaid Subsea Services Saudi Arabia Co. Ltd.	Subsea	Saudi Arabia	8 April 2011	Ordinary	SAR 500,000	5,000	95% (indirect)
6.	Zamil Mermaid Offshore Services Company LLC	Subsea	Saudi Arabia	18 September 2012	Ordinary	SAR 2,000,000	2,000	40% (direct)
7.	Mermaid Offshore Services Pte. Ltd.	Subsea	Singapore	28 March 2011	Ordinary	USD 20,400,100	20,400,100	100% (indirect)
8.	Seascope Surveys Pte. Ltd.	Subsea	Singapore	24 November 2004	Ordinary	SGD 100	100	100% (indirect)
9.	PT Seascope Surveys Indonesia	Subsea	Indonesia	19 January 2005	Ordinary	IDR 7,328,000,000	800	49% (indirect)
10.	Mermaid Subsea Services (Malaysia) Sdn. Bhd.	Subsea	Malaysia	16 January 2018	Ordinary	MYR 550,000	550,000	45% (indirect)
11.	Mermaid Subsea Services (UK) Limited	Subsea	United Kingdom	7 February 2020	Ordinary	GBP 100,000	100,000	100% (indirect)
12.	Mermaid Drilling Ltd.	Holding	Thailand	24 January 2005	Ordinary	THB 410,000,000	41,000,000	95% (direct)
13.	Mermaid Subsea Oil And Gas Services DMCEST	Subsea	UAE (Dubai)	24 June 2021	Ordinary	AED 1,000,000	1	100% (indirect)
14.	Millennium 3 Ship Management And Operations FZCO	Subsea	UAE (Dubai)	8 July 2021	Ordinary	AED 1,000,000	10	50% (indirect)
15.	ZeaQuest Co., Ltd.	Subsea	Thailand	27 October 2020	Ordinary	THB 155,000,000	1,550,000	50% (indirect)
16.	Mermaid Ventures Co., Ltd.	Subsea	Thailand	10 September 2020	Ordinary	THB 250,000	100,000	100% (direct)
17.	Mermaid Maritime Mauritius Ltd.	Holding	Mauritius	25 March 2014	Ordinary	USD 1	1	100% (direct)
18.	Mermaid International Ventures	Holding	Cayman Islands	26 August 2014	Ordinary	USD 50,000	50,000	100% (indirect)
19.	PTGC Co., Ltd.	Investment	Cambodia	26 September 2017	Ordinary	KHR 78,600,000,000	19,650,000	49% (direct)
20.	Mermaid Decom Co., Ltd	Subsea	Thailand	23 November 2021	Ordinary	THB 250,000	10,000	100% (indirect)

\* as a public listed company

# Corporate Governance

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## 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 2023, 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 Committees					
	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
Dr. Jan Jozef Skorupa*	Member	Member	Member	Chair	-	-
Mr. Tang Kee Fei	Member	Chair	-	Member	-	Member
Mr. Tay Yu-Jin	Member	-	Chair	Member	-	-
Mr. Paul Burger Wiley	Member	-	-	-	Member	-

\* Also Lead Independent Director

Details of each Board Committee are as follows:

### Audit Committee

As at 31 December 2023, 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:

- (a) 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;
- (b) 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 Person 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 2023, the Nomination Committee comprises one (1) Non-Executive Director, namely, Dr. Jean Paul Thevenin, 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 2023, 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 2023, the Executive Committee comprises two (2) Non-Executive Directors, namely Mr. Prasert Bunsumpun and Dr. Jean Paul Thevenin, and two (2) Executive Directors namely Mr. Chalermchai Mahagitsiri and Mr. Paul Burger Whiley. 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 2023, 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 2023, as well as the attendance of every Board member at these meetings, including participation through teleconference, is as follows:

Name	Board	Audit Com.	Rem. Com.	Nom. Com.	Exec. Com.	Risk Com.
Mr. Prasert Bunsumpun	7/7	-	-	-	7/7	-
Mr. Chalermchai Mahagitsiri	6/7	-	-	-	6/7	1/1
Dr. Jean Paul Thevenin	7/7	4/4	-	-	7/7	1/1
Dr. Jan Jozef Skorupa	7/7	4/4	-	-	-	-
Mr. Tang Kee Fei	3/7	4/4	-	-	-	-
Mr. Tay Yu-Jin	3/7	-	-	-	-	-
Mr. Paul Burger Whiley	7/7	-	-	-	7/7	-

### 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 reports 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 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 2023, the Board comprises seven (7) Directors including three (3) Independent Directors, two (2) Non-Executive Directors, and two (2) Executive Directors.

### 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.

## 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 2023.

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 comprises 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 are 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 disclosed 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 2023 is set out below:

<b>Other Listed Company Directorships</b>	
Mr. Prasert Bunsumpun	T.K.S. Technologies Plc.
	SVI Plc.
	Thoresen Thai Agencies Plc.
	AIRA Capital Plc.
	Major Cineplex Group Plc.
	Clover Power Plc.
Mr. Chalermchai Mahagitsiri	PM Thoresen Asia Holdings Plc., Unique Mining Services Plc., Thoresen Thai Agencies Plc., Posco-Thainox Plc., Thai Future Incorporation Plc.
Dr. Jean Paul Thevenin	PM Thoresen Asia Holdings Plc., Thoresen Thai Agencies Plc.
Dr. Jan Jozef Skorupa	None.
Mr. Tang Kee Fei	None.
Mr. Tay Yu-Jin	None.
Mr. Paul Burger Whiley	None.
<b>Principal Commitments</b>	
Mr. Prasert Bunsumpun	None.
Mr. Chalermchai Mahagitsiri	President & CEO, Thoresen Thai Agencies Plc.
Dr. Jean Paul Thevenin	Non-Executive Director, 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	Managing Partner, Mayer Brown PK Wong & Nair Pte. Ltd.
Mr. Paul Burger Whiley	None.

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 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 2023, 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 2023. 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 2023 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	SGD	SGD	SGD	SGD	Over SGD
	100k	100k-200k	200k-300k	300k-400k	400k-500k	500k
Mr. Prasert Bunsumpun	■	-	-	-	-	-
Mr. Chalermchai Mahagitsiri	-	-	-	-	■	-
Dr. Jean Paul Thevenin	■	-	-	-	-	-
Dr. Jan Jozef Skorupa	■	-	-	-	-	-
Mr. Tang Kee Fei	■	-	-	-	-	-
Mr. Tay Yu-Jin	■	-	-	-	-	-
Mr. Paul Burger Whiley	-	-	-	-	-	■

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.

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 2023.

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	-	93%	-	7%	-
Dr. Jean Paul Thevenin	100%	-	-	-	-
Dr. Jan Jozef Skorupa	100%	-	-	-	-
Mr. Tang Kee Fei	100%	-	-	-	-
Mr. Tay Yu-Jin	100%	-	-	-	-
Mr. Paul Burger Whiley	-	62%	7%	31%	-

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. Phiboon Buakhunngamcharoen	■	-	-
Ms. Thanyada Apichotthanachai	■	-	-
Mr. Pattarapol Wannarat	■	-	-
Mr. Simon Wilde	-	■	-
Mr. Fraser Moonie	-	■	-
Mr. Scott Cormack	-	■	-
Mr. Tyron Roworth	-	■	-
Mr. Hans Huijskens	-	■	-
Mr. Marc Bernardis	-	■	-

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).

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. Phiboon Buakhunngamcharoen	77%	7%	16%	-
Ms. Thanyada Apichotthanachai	78%	8%	14%	-
Mr. Pattarapol Wannarat	87%	7%	6%	-
Mr. Simon Wilde	89%	11%	-	-
Mr. Fraser Moonie	59%	-	41%	-
Mr. Scott Cormack	78%	8%	14%	-
Mr. Tyron Roworth	82%	10%	8%	-
Mr. Hans Huijskens	89%	11%	-	-
Mr. Marc Bernardis	81%	10%	9%	-

The aggregate remuneration paid to the above key management personnel (who are not Directors) for financial year ended 31 December 2023 was SGD 1,730,058.55.

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 SGD 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 SGD 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 100,000 during the year.

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 2023.

## 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 Auditor 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 2023.

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 2023 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 2023 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 carries 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 2023, the Audit Committee held four (4) meetings. The management of Mermaid 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, 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](http://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. 01/2023 held on 25 April 2023, 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

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 2022. Subsequently, at AGM No. 01/2023 dated 25 April 2023, the shareholders present had unanimously approved that no dividends be declared to the shareholders for the financial year ended 31 December 2022.

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](mailto: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 2023.

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](http://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 29 December 2023, the statistics of shareholdings of Mermaid Maritime Public Company Limited (“Mermaid” or “Company”) are as follows:

<b>Number of Authorised Shares</b>	1,416,700,697
<b>Number of Issued Share</b>	1,413,328,857
<b>Issued and Fully Paid Up Capital</b>	Thai Baht 1,413,328,857
<b>Treasury Shares</b>	None
<b>Number of Shareholders</b>	3,853
<b>Class of Shares and Voting Rights</b>	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 (2/3) of all votes presented.

## 2. DISTRIBUTION OF SHAREHOLDINGS

As at 29 December 2023, the distribution of ordinary shares amongst all shareholders was as follows:

Size of Shareholdings	No. of Shares	% of Share	No. of Shares	% of Share
1 -99	3,004	0.00	208	5.40
100 - 1,000	161,798	0.01	202	5.24
1,001 - 10,000	8,636,350	0.61	1,335	34.65
10,001 - 1,000,000	157,009,993	11.11	2,072	53.78
1,000,001 and above	1,247,517,712	88.27	36	0.93
<b>TOTAL</b>	<b>1,413,328,857</b>	<b>100.00</b>	<b>3,853</b>	<b>100.00</b>

## 3. DETAILS OF SUBSTANTIAL SHAREHOLDERS

As at 29 December 2023, 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”)	102,109,593 (7.22%)	-	102,109,593 (7.22%)
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 Notes 2)	54,536,882 (3.86%)	822,908,013 (58.22%)	877,444,895 (62.08%)
Ms. Ausana Mahagitsiri (see Notes 2)	63,588,647 (4.50%)	822,908,013 (58.22%)	886,496,660 (62.72%)
Ms. Suvimol Mahagitsiri (see Notes 2)	-	822,908,013 (58.22%)	822,908,013 (58.22%)

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 20,798,420 ordinary shares (1.47%) in the Company.

Note 2: Mr. Chalermchai Mahagitsiri’s deemed interest arises from the shares in the Company held by TTA. Mr. Chalermchai Mahagitsiri is the registered holder of 277,679,159 ordinary shares (15.24%) in TTA and 150,000,000 ordinary shares (8.23%) are registered under his custodian account in TTA. His associates are Ms. Ausana Mahagitsiri who is a registered holder of 99,866,937 ordinary shares (5.48%) in TTA, Ms. Suvimol Mahagitsiri who is the registered holder of 42,325,623 ordinary shares (2.32%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 87,531,758 of ordinary shares (4.80%) and under his custodian account of 22,620,700 (1.24%) in TTA. Mr. Chalermchai Mahagitsiri, Ms. Ausana Mahagitsiri, Ms. Suvimol Mahagitsiri and Mr. Prayudh Mahagitsiri (collectively, the “Mahagitsiris”) are all associates of each other. The combined interest of [the Mahagitsiris] in TTA is therefore 680,024,177 ordinary shares (37.31%).

#### 4. TOP 20 LARGEST SHAREHOLDERS

As at 29 December 2023, 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.	Shareholders' Names	Number of Shares	% of shares
1	Thoresen Thai Agencies PLC.	700,000,000	49.53
2	Raffles Nominees (Pte.) Ltd.	141,108,903	9.98
3	Soleado Holdings Pte. Ltd	86,347,393	6.11
4	DBS Nominees Pte. Ltd.	72,040,647	5.10
5	Citibank Noms Spore Pte. Ltd.	66,878,761	4.73
6	BNP Paribas Noms Spore Pte. Ltd.	25,328,400	1.79
7	Athene Holdings Ltd.	20,798,420	1.47
8	PHILLIP SECURITIES PTE LTD	20,710,420	1.47
9	DBS Vickers Securities (s) Pte. Ltd.	16,904,346	1.20
10	UOB Kay Hian Pte. Ltd.	15,206,400	1.08
11	OCBC Securities Private Ltd.	9,138,558	0.65
12	ABN AMRO CLEARING BANK N.V.	8,073,000	0.57
13	HSBC (SINGAPORE) NOMINEES PTE LTD	7,169,300	0.51
14	LIM AND TAN SECURITIES PTE LTD	7,095,500	0.50
15	MAYBANK SECURITIES PTE. LTD.	6,590,200	0.47
16	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	4,909,456	0.35
17	IFAST FINANCIAL PTE LTD	4,665,500	0.33
18	TOH ONG TIAM	4,656,200	0.33
19	ANG AH LEK @AN AH LEK	3,500,000	0.25
20	LEE GEOK HWA	3,363,500	0.24
	<b>Total</b>	<b>1,224,484,784</b>	<b>86.64</b>
	<b>Others shares</b>	<b>188,844,073</b>	<b>13.36</b>
	<b>Total shares of MML</b>	<b>1,413,328,857</b>	<b>100.00</b>

## 5. MERMAID SHARES HELD BY DIRECTORS

As at 29 December 2023, 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	%
1. Mr. Prasert Bunsumpun	None	n/a	None	n/a
2. Mr. Chalermchai Mahagitsiri	150,461,660	10.65	822,908,013	58.22
3. Mr. Tang Kee Fei	None	n/a	None	n/a
4. Mr. Tay Yu-Jin	None	n/a	None	n/a
5. Mr. Paul Whiley	605,000	0.0428	None	n/a
6. Dr. Jean Paul Thevenin	None	n/a	None	n/a
7. Dr. Jan Jozef Skorupa	1,000	0.00007	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 2023 is also as set out above. The Company has no convertible securities.

## 6. SHAREHOLDING HELD BY PUBLIC

As at 30 December 2023, 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

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 2023 or still subsisting as at 31 December 2023 are as follow:

- (a) Referring to the loan agreement dated 7 February 2023, Thoresen Thai Agencies Plc (TTA), a parent company, granted Mermaid Maritime Plc (MML) a loan up to the aggregate principal amount of US Dollars 7.5 million to be utilized for working capital with interest rate at 7% per annum. During 2023, MML drew the loan at full amount of US Dollars 7.5 million.
- (b) Referring to the loan agreement dated 28 April 2023, TTA granted MML a loan up to the aggregate principal amount of US Dollars 12.5 million to be utilized for working capital with interest rate at 7% per annum. During 2023, MML drew the loan at full amount of US Dollars 12.5 million.
- (c) Referring to the loan agreement dated 27 September 2023, TTA granted MML a loan up to the aggregate principal amount of US Dollars 5.0 million to be utilized for working capital with interest rate at 7% per annum. During 2023, MML drew the loan at full amount of US Dollars 5.0 million.

- (d) Referring to the loan agreement dated 30 November 2023, TTA granted MML a loan up to the aggregate principal amount of US Dollars 50.0 million to be utilized for working capital with interest rate at 7% per annum. During 2023, MML drew the loan at US Dollars 20.0 million.

As at 31 December 2023, MML had total outstanding loans from TTA at US Dollars 54.0 million (2022: US Dollars 9.0 million) which were classified to US Dollars 11.5 million of short-term borrowing and US Dollars 42.5 million of long-term borrowings. MML had unutilized credit facilities from TTA totaling US Dollars 30.0 million.

## 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.

## 10. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2023, 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 2023 amounted to US Dollars 218,915 (two hundred eighteen thousand nine hundred and fifteen United States Dollars).

Non-audit fee paid to KPMG and its relevant affiliated audit entities during the financial year ended 31 December 2023 amounted to US Dollars 23,046 (twenty-three thousand and forty-six 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 2023.

	Group	
	2023	2022
	USD	USD
<b>Audit fees:</b>		
- Auditors of the Company	218,915	212,692
- Other auditors	28,817	17,284
<b>Non-audit fees:</b>		
- Auditors of the Company	23,046	34,309
- Other auditors	93,012	83,403
<b>Total audit and non-audit fees</b>	<b>363,790</b>	<b>347,688</b>

## 11. APPOINTMENT OF AUDITOR

Auditors from KPMG were reappointed by a resolution of the Company's shareholders on 25 April 2023 to audit the Company's separate financial statements and the Company and its subsidiaries' consolidated financial statements for the financial year ended 31 December 2023.

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 2023:

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 2023.

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 2023.

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

Major interested person transactions for the financial year ended 31 December 2023 pursuant to Rule 907 of the SGX-ST Listing Manual are shown as follows:

Name of Related Party / Relationship	Description of Transactions	Transaction Amount (Thousand USD)	Pricing Policy and Reasonable of Transaction
		2023	
Mermaid Maritime Plc (MML) and Thoresen Thai Agencies Plc. (TTA)	As at 31 December 2022, MML had a loan from TTA totaling at US Dollars 9.0 million, with interest rate of 7% p.a. to support working capital.		The transactions were approved by the Board of Directors. The interest rate is set up based on the borrowing cost of TTA plus margin.
TTA is an ultimate parent company and holds a 58.2% stake in MML.	During 2023, TTA granted MML a short-term borrowing of US Dollars 7.5 million and long-term borrowings of totaling US Dollars 37.5 million.		As aforementioned, such transactions were reasonable and create the benefit for the Company.
MML and TTA have three common directors being:	These loans were for supporting working capital, with interest rate of 7% p.a.		
• Mr. Chalermchai Mahagitsiri			
• Mr. Praset Bunsumpun			
• Dr. Jean Paul Thevenin			
And Mr. Chalermchai Mahagitsiri holds shares in both MML and TTA.	As at 31 December 2023, MML recorded such related transactions as follows:		
	• Short-term borrowing from parent company	11,500	
	• Current portion of long-term borrowings from parent company	17,500	
	• Long-term borrowings from parent company	25,000	
	MML recorded finance cost from such loans as		
	• Finance cost	1,803	
	• Accrued finance cost	709	

## 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 2023 was USD 139.15 million, or 100.00% 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
3.	Payment for one special utility vessel, one derrick pipe lay barge and equipment to support an expansion in cable lay business and T&I and decommissioning business.	33.81
<b>Total</b>		<b>139.15</b>

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

As at 31 December 2023, 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 issued and paid-up is therefore 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 2023, 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. DIRECTORS' RETIREMENT BY ROTATION

The table below shows the retirement by rotation and re-election of the Directors at AGMs pursuant to the Articles of Association of the Company.

No.	Name of Directors	First Appointment Date	Retired by Rotation Re-elected by and AGM
1.	Mr. Tang Kee Fei	25 Apr 2017	AGM 2023
2.	Mr. Chalermchai Mahagitsiri	19 Jun 2012	AGM 2022
3.	Mr. Paul Whiley	11 Nov 2021	AGM 2022
4.	Dr. Jan Jozef Skorupa	21 Oct 2013	AGM 2021
5.	Mr. Prasert Bunsumpun	19 Jun 2012	AGM 2021
6.	Dr. Jean Paul Thevenin	28 Jan 2013	AGM 2023
7.	Mr. Tay Yu-Jin	26 Apr 2016	AGM 2022

## 16. DETAILS OF EMPLOYEE SHARE OPTION PLANS

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 2023, 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	4.67	0.35	On freehold land

As at 31 December 2023, Mermaid's key movable assets were seven (7) vessels owned by its subsidiaries and affiliates as follows:

No.	Name of Vessels	Calendar Year		Million USD	
		Built Year / Conversion	Purchase Year	Cost	Net Book Value
1.	Mermaid Endurer	2008	2010	105.92	43.41
2.	Mermaid Asiana	2010	2010	93.12	42.39
3.	Mermaid Sapphire	2008	2009	37.98	15.30
4.	Mermaid Challenger	2006	2008	19.83	0.50
5.	Mermaid Commander	1987	2005	36.57	1.29
6.	Resiliant	2007	2022	7.00	5.99
7.	Millennium 3	2011 / 2018	2021	32.04	28.80

The net book values presented in the table above represent post-asset impairment values for such assets for the financial year ended 31 December 2023.

'Mermaid Endurer', 'Mermaid Asiana', 'Mermaid Sapphire', 'Mermaid Challenger', 'Mermaid Commander' and 'Resiliant' are owned by Mermaid Subsea Services (Thailand) Ltd. while 'Millennium 3' is fifty percent (50%) co-owned through Millennium 3 Ship Management And Operations DMCCO.

## 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 2023, the Company remains in compliance with this requirement and shall continue to comply with this requirement on a continuing basis.

## 19. WATCH LIST CRITERIA

Pursuant to Rule 1311 of the SGX-ST Listing Manual, if a Company records pre-tax losses for the 3 most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than SGD 40 million over the last 6 months, SGX-ST shall place the Company on the watch-list.

As at 31 December 2023, the Company did not record the pre-tax losses during the past 3 consecutive financial years based on the audited full year consolidated accounts and an average daily market capitalisation was not less than SGD 40 million over the last 6 months. Therefore, the Company is not placed on SGX-ST's watch-list.

## 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. 01/2024 of the Company: Mr. Prasert Bunsumpun.

**MR. PRASERT BUNSUMPUN**

<b>Date of appointment</b>	19 June 2012
<b>Date of last re-appointment (if applicable)</b>	29 April 2021
<b>Age</b>	72
<b>Country of principal residence</b>	Thailand
<b>The Board's comments on this appointment on this re-election/ appointment</b>	<p>After reviewing the recommendation of the Nomination Committee and Mr. Prasert Bunsumpun and experience (as set out below), the Board has approved that he stands for re-election as a Non-Executive and Chairman.</p> <p>Mr. Bunsumpun will, upon re-election, continue to serve as an Chairman of the Board of Directors and Chairman of the Executive Committee.</p>
<b>Whether the appointment is executive, and if so, the area of responsibility</b>	Non-executive
<b>Job Title</b>	Chairman of the Board of Directors Chairman of the Executive Committee
<b>Professional qualifications</b>	<ul style="list-style-type: none"> <li>• Honorary Doctoral of Arts in Social Innovation Management, Faculty of Humanities and Sciences, Suan Sunandha Rajabhat University, 2011</li> <li>• Honorary Doctoral in Management, Maharakarm University, 2011</li> <li>• Honorary Doctoral in Management Science, Petchaburi Rajabhat University, 2008</li> <li>• Honorary Doctoral in Management, National Institute of Development Administration (NIDA), 2007</li> <li>• Honorary Doctoral in Engineering, Chulalongkorn University, 2007</li> <li>• M.B.A., Utah State University, USA, 1978</li> <li>• B.Eng. in Civil Engineering, Chulalongkorn University, 1975</li> </ul>

<b>Working experience and occupation(s) during the past 10 years</b>	<p>2021 - Present : Distinguished Director, Chulabhorn Royal Academy</p> <p>2020 - Present : Chairman of the Board of Directors and Independent Director, Clover Power Public Company Limited</p> <p>2020 - Present : Independent Director, Vice Chairman of the Board of Directors, Investment Committee Member, Major Cineplex Group Public Company Limited</p> <p>2020 - Present : Chairman of the Board of Directors, Independent Director, AIRA Capital Public Company Limited</p> <p>2019 - Present : Independent Director and Chairman of the Audit Committee, T.K.S. Technologies Public Company Limited</p> <p>2019 - Present : Distinguished Director, King Prajadhipok's Institute</p> <p>2019 - Present : Chairman of the Board of Directors, AIRA Property Public Company Limited</p> <p>2018 - Present : Council President, Distinguished Director, Dhurakij Pundit University</p> <p>2016 - Present : Independent Director, Chairman of the Board of Directors, Chairman of the Nomination and Compensation Committee, SVI Public Company Limited</p> <p>2012 - Present : Chairman of the Board of Directors, Non-Executive Director, Chairman of the Executive Committee, Thoresen Thai Agencies Public Company Limited</p> <p>2012 - Present : Chairman of the Board of Directors, Chairman of the Executive Committee, Mermaid Maritime Public Company Limited</p> <p>2011 - Present : Chairman of the Board of Directors, Thailand Business Council for Sustainable Development (TBCSD)</p> <p>2015 - 2021 : Independent Director and Chairman of the Executive Committee, Thaicom Public Company Limited</p> <p>2011 - 2021 : Independent Director, Chairman of the Nomination and Governance Committee, Member of the Leadership Development and Compensation Committee, Member of the Strategic and Organizational Review Committee, Intouch Holdings Public Company Limited</p> <p>2019 - 2020 : Chairman of the Board of Directors, Yuanta Securities (Thailand) Company Limited</p> <p>2018 - 2020 : Independent Director, Chairman of the Board of Director, Chairman of the Executive Committee, Nok Airlines Public Company Limited</p> <p>2018 - 2020 : Independent Director and Chairman of the Risk Management Committee, PTT Global Chemical Public Company Limited</p> <p>2014 - 2019 : Member of the National Legislative Assembly, Thailand</p> <p>2014 - 2019 : First Vice-President of the Committee on Energy, the National Legislative Assembly, Thailand</p>
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	None
<b>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)</b>	None
<b>Conflict of interest (including any competing business)</b>	None
<b>Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer</b>	Yes

<b>Other principal commitments (as defined in the Code) including directorships for the past 5 years</b>	<b>Other Principal Commitments:</b> None <b>Other Directorships:</b> AIRA Property Public Company Limited Yuanta Securities (Thailand) Company Limited Nok Airlines Plc. PTT Plc. PTT Global Chemical Plc.
<b>Other principal commitments (as defined in the Code) including directorships at present</b>	<b>Other Principal Commitments:</b> None <b>Other Directorships:</b> Thoresen Thai Agencies Plc. Clover Power Public Company Limited Major Cineplex Group Public Company Limited AIRA Capital Public Company Limited T.K.S. Technologies Public Company Limited AIRA Property Public Company Limited SVI Public Company Limited Thailand Business Council for Sustainable Development (TBCSD)

In the additional disclosure table below, each Director is referred to by his initials as follows: Mr. Prasert Bunsumpun (“PB”):

	<b>PB</b>
(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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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

	<b>PB</b>
(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
(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
(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
(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
(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
(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
(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
(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
(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

## Business Overview

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

As a leading international subsea services provider for major oil and gas companies and their contractors, Mermaid is headquartered in Asia (Thailand) with operational bases spanning Southeast Asia, the Middle East, and the North Sea. We provide comprehensive turnkey services to oil and gas majors operating offshore, leveraging a diversified portfolio of subsea vessels, specialized diving and survey equipment, and remotely operated vehicles. With over 40 years of experience in the offshore business, Mermaid operates in five geographical regions with a team of over 1000 professional divers, technicians, surveyors, riggers, management, and support staff. Our vision is to be a premium service provider to the offshore oil and gas industry, committed to consistently delivering enhanced returns to our shareholders.

In response to the challenging outlook across the oil and gas industry, Mermaid’s senior management team continues to implement a two-pronged strategy. This strategy involves a short-term/tactical approach focused on strengthening our core and a longer-term vision aimed at positioning for growth. This dual strategy ensures our ability to build sustained shareholder value in the face of industry challenges.

**Strengthening our Core:** In alignment with our “Strengthening our Core” strategy, we have placed a strong emphasis on protecting our home market and optimizing our internal processes. By prioritizing the delivery of top-tier quality services at optimal costs, we are committed to ongoing exploration and generation of additional activities and revenue, leveraging the newfound momentum within the region.

**Positioning for Growth:** As part of our “Position for Growth” strategy, Mermaid is actively seeking new opportunities in response to emerging demand. Recognizing the potential in the decommissioning market, we have established an Offshore Transportation, Installation (T&I), and Turnkey Decommissioning Services business unit. This move aligns with our diversification for growth strategy, specifically targeting the Gulf of Thailand market and the broader Asia Pacific region (Zone 1).

Decommissioning scopes will be active, particularly in the Gulf of Thailand, over the next decade. This timeframe is set as a minimum due to the requirement for the removal or alteration of assets from offshore production platforms in the Oil & Gas sector. Key stakeholders in this endeavor are major oil and gas operators in Thailand.

For the Western region (Zone 2); encompassing Africa, the Middle East, and the UK, we have diversified into cable-lay installation. Additionally, in the North Sea, Mermaid has been awarded contracts for Plug and Abandonment P&A services, a crucial component of the decommissioning scope. This strategic move represents an expansion of our business scope, positioning us for growth and further establishing our presence in the industry.

## SERVICES AND FLEET STRUCTURE

### SUBSEA SERVICES

Our business activities are focused on diving and remote intervention by unmanned submersibles (ROV) with the world's first autonomous underwater vehicle (AUV) and subsea flowline control and repair (SFCR) units that are being developed. Its Subsea Division is represented by Mermaid Subsea Services (Thailand) 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, and cable and pipe laying projects.

As of 31 December 2023, the subsea fleet consists of 8 subsea support vessels, 5 of which are specialized dive support vessels and one a specialized shallow water cable- and flex-lay vessel, 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 of over 1,000 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, BV or ABS, three of the foremost classification societies worldwide. They undergo regular inspections by class surveyors, in addition to scheduled dry-docking and other planned maintenance activities. Another fundamental strength of the Subsea Division lies in its ability to conduct diving operations to world-class standards, with a particular focus on meeting the rigorous criteria established by the International Oil and Gas Producers Association ("IOGP").

### SUBSEA FLEET LIST

No.	Name of Vessels	Vessel Type	Calendar Year	
			Built Year/ Conversion	Purchase Year / Long-term Charter Year
1	Mermaid Endurer	DP2 Dive Support Vessel	2008	2010
2	Mermaid Asiana	DP2 Dive Support Vessel	2010	2010
3	Mermaid Commander	DP2 Dive Support Vessel	1987	2005
4	Mermaid Sapphire	DP2 Dive Support Vessel	2008	2009
5	Mermaid Challenger	General Utility Vessel	2006	2008
6	Millennium 3	Special Utility Vessel	2011 / 2018	2021
7	Resilient	Derrick Pipe Lay Barge / Accommodation	2007	2022
8	Van Gogh	DP2 Dive Support Vessel	2019	2022

## MARKETING AND COMPETITION

### SUBSEA SERVICES CLIENTS

Major national and international oil and gas producers, suppliers, pipeline transmission companies, as well as offshore engineering and construction firms, place their trust in Mermaid as their strategic partner within our regional markets spanning the Middle East and Asia Pacific. The clients in the Middle East constitute a significant and integral contribution to Mermaid's overall business. Mermaid's primary source of revenue comes from its largest customer, Middle Eastern oil producers, under a long-term annual service contract through a joint venture between Mermaid and local partners in the Middle East.

Most of our other customers operate on a project-based model, with the project duration contingent upon the nature of the work. As part of our "Positioning for Growth" strategy, the company aims to expand its footprint in strategic subsea engineering to encompass additional regions in the coming years, notably targeting Africa and the Mediterranean region.

Optimizing vessel utilization stands as a top priority for the organization. Concurrently, there is a concerted focus on implementing techniques that stimulate clients to procure additional services through cross-selling strategies. Additionally, the company is actively engaged in negotiating long-term contracts, particularly in high-growth markets such as Southeast Asia and the Middle East.

### COMPETITION

Our extensive and highly experienced team, coupled with our commitment to on-time project delivery and exceptional customer service, remains our crucial differentiator. There are several reasons why customers choose Mermaid. We take pride in our excellent health, safety, and environmental track record. Moreover, we offer top-tier service quality at a competitive price, demonstrating our capability and resources to handle projects of all sizes and provide a comprehensive 'one-stop-shop' service point.

Supported by a large pool of in-house, experienced, and dedicated personnel, strategic local partnerships in various geographies, and full compliance with international standards for our vessels and equipment, Mermaid ensures the highest standards in our operations. Our track record of successful projects with reputable clients, expansion into new geographical areas, and the development of regionally based operations with long-term customer relationships reflect our commitment to excellence. We have systems in place to provide dedicated customer support and ensure a quick response to emergency callouts and variation orders in all situations. As a result, Mermaid is delighted to receive continued repeat business from our valued customers.

# Industry Outlook

## REBOUND FROM THE PANDEMIC AND GEOPOLITICAL SITUATION

The global subsea market has demonstrated resilience in the face of short-term challenges posed by the COVID-19 pandemic and the Russia-Ukraine war. Supply and shipping disruptions have been factored into global energy prices, and absent any unforeseen events, they are unlikely to introduce further volatility in the global energy markets.

The Middle East and Africa subsea market is expected to grow significantly at a robust CAGR of 23.4% between 2023 and 2030. Similarly, the Asia-Pacific subsea market is expected to reach US\$ 26.141 billion by 2030, with a CAGR of 18.7% until 2030. The European subsea market is anticipated to grow at a CAGR of 8.7% by 2030.

Saudi Arabia plans to invest USD 557 billion on the Eastern Seaboard in various projects up to 2027. Qatar, with 18 projects under development in the oil and gas sectors, holds an estimated capital expenditure (CAPEX) of \$60.2 billion, solidifying its position as the world's leading exporter of liquefied natural gas (LNG).

In the UK, existing market capacity is stretched with new entrants and increased competition. Additionally, well Plug and Abandonment (P&A) decommissioning spend until 2030 is projected at USD 20+ billion, averaging \$2 billion per annum (150-200 wells per year). Expectations point towards a significant increase in Opex and Capex budgets in the intermediate term, reflecting ongoing trends in the market.

## THE OFFSHORE SUBSEA SECTOR

As of February 2024, the crude oil and natural gas (O&G) industry continues to grapple with supply disruptions and price volatility. Over the last 10 years, the sector has experienced fluctuations, ranging from above USD 100 per barrel in 2014 to the unprecedented USD -37 per barrel in 2020. Notably, in 2023, the average price of crude oil reached USD 82.41 per barrel, reflecting the ongoing complexities in the market.

Presently, the industry faces a unique set of challenges influenced by the interplay of economic, geopolitical, trade, policy, and financial factors. Global dynamics have intensified the issue of underinvestment, prompting a significant readjustment in the broader energy market. The three key components of a balanced energy equation – energy security, supply diversification, and low-carbon transition – are currently under substantial pressure, creating a complex “trilemma” of concerns.

Although the immediate impact of this imbalance is high energy prices and record cash flows for O&G companies, how and where the industry will invest in the future remains uncertain. The industry's investment trajectory in 2024 will likely be determined by many of the actions and decisions being taken today:

- The balance that O&G producers strike between increasing investment and continuing capital discipline
- The role of O&G companies in accelerating and securing the energy transition
- The dynamics of natural gas demand and the resultant policy environment
- The refining industry's adaptation to the readjustment in energy markets
- The trajectory for deal-making amid the interplay of energy security and transition

The O&G industry will likely enter 2024 with its healthiest balance sheet yet and with continued capital discipline. This could help companies overcome the energy underinvestment of recent years and help enable an accelerated energy transition. Until now, the industry has practiced capital discipline and focused on cash flow generation and payout, while free cash flows per barrel of production is projected to be higher. But now all eyes are on upstream companies to see if they will continue to prioritize shareholder payouts or increase their hydrocarbon reinvestment rate, driven by the urgency to provide affordable energy to the world.

## SUBSEA SERVICES

### THE SUBSEA MARKET

The Mermaid Group continues to explore opportunities in the global Oil and Gas market, with successful efforts in the Middle East, West Africa, the UK (Zone 2), and Asia Pacific (Zone 1). This achievement is particularly noteworthy in the highly competitive Subsea Services sector. The expansion into new service areas has diversified the subsea services portfolio, showcasing the Group's resilience and consistent revenue generation for stakeholders.

An exemplar of this success is the foray into decommissioning offshore platforms in the Gulf of Thailand and Malaysia (Zone 1). Zone 2 is reinforcing its remarkable achievements in Cable and Flexible Lay operations in the Middle East, backed by substantial investments in assets and equipment. This strategic move aligns with major awards received in this domain during its recent revival.

In conclusion, the company is well-positioned to generate significant revenue, thanks to its prompt and direct response to client and market needs, driven by its diversified portfolio and capabilities.

### TYPES OF SUBSEA VESSELS

The offshore industry encompasses a diverse sector with various vessel types that undertake a wide array of tasks, often utilizing unique systems and equipment. These vessels can range from purpose-built specialized ships dedicated to specific operations, such as diving, to vessels that have undergone multiple conversions to adapt to changing business needs. The term "offshore support vessel" includes various vessel types, and it is uncommon for a single vessel to serve only one specific function. Depending on their configuration, a vessel may perform diving, remotely operated vehicle (ROV) support, survey, and construction support operations. Dive support vessels (DSV) in the offshore industry can vary from converted vessels equipped with basic air diving spreads to purpose-built vessels featuring extensive and sophisticated saturation diving systems. ROV support vessels may include units with portable launching systems, allowing for quick mobilization/demobilization within short timeframes. Construction support vessels share generic characteristics and design features with dive and ROV support vessels. However, their primary function is in the installation and decommissioning of subsea and surface structure installations. Pipe lay vessels may exhibit different design features and equipment, but their primary purpose is the laying of pipes along designated seabed channels or routes.

As of December 31, 2023, our subsea fleet comprises 7 owned subsea support vessels, including 3 specialized dive support vessels, and 14 ROVs. This includes deep-water and ultra-deep-water heavy construction class systems. In addition to these fleets, the Subsea Division boasts a workforce of up to 1000 professionals, including divers, technicians, riggers, surveyors, health, safety, and environmental (HSE) personnel, marine personnel, and support staff. This dedicated team is instrumental in executing our subsea engineering projects, complemented by a permanent workforce committed to delivering excellence in all endeavors.

Mermaid operates an extensive fleet across 15 sites in the Kingdom of Saudi Arabia. This fleet has 3 SAT Diving Support Vessels, 10 Air Diving Support Vessels, and 2 Pier/Harbor support teams. All these sites are actively involved in operations within the Saudi Arabian Gulf Oil Fields, delivering a comprehensive range of services, including Saturation Diving, Air diving, ROV, Cable lay, and Survey positioning to support Saudi Aramco operations.

The fleet features specialized vessels, including the Zamil 63, Zamil 64, Zamil 65, QMS Poseidon, QMS Paraiso, and the QMS Sea Conquest, all of which are 24-hour DP2 diving vessels. These vessels are dedicated to the inspection, maintenance, and repair of subsea assets and installations across the oil fields. Additionally, the Zamil 602, a 12-hour Conventional Spud Leg Diving Vessel, specializes in similar tasks but operates in shallower sectors of the fields, benefitting from its shallow draft and spudding capability.

For specific operations related to servicing and maintaining SBM Terminals off Ras Tanura, the Zamil 601, a 12-hour Diving Service Vessel, plays a crucial role. These terminals serve as vital transfer points for the final product from on-shore Tank Farms to Oil Tankers at sea.

Addressing deeper scopes of work, the fleet includes 3 SAT Diving Support Service Vessels: Mermaid Asiana, Mermaid Endurer, and the Seamec Swordfish. These 24-hour Saturation Diving vessels are pivotal in providing uninterrupted diving services in the deepest sectors of the Oil Fields, showcasing their resilience to adverse weather conditions and challenging sea states.

## MERMAID'S INDUSTRY POSITIONING

Having garnered over 38 years of experience in the Oil & Gas industry, Mermaid proudly showcases a well-established track record of subsea excellence. Operating across Southeast Asia, the Middle East, and more recently, in the North Sea and West Africa, Mermaid stands as a trailblazer in the global subsea markets. Demonstrating proficiency in subsea engineering solutions, Mermaid possesses the capability to address intricate and demanding engineering challenges at any water depth in any region worldwide, catering specifically to the needs of the Oil and Gas markets.

With ownership and operation of a fleet comprising subsea construction, intervention, and survey vessels, Mermaid positions itself uniquely to provide distinct advantages to our clients. Our emphasis lies in cultivating enduring relationships, which not only elevate our service delivery but also mitigate overall risk factors.

Mermaid maintains a cautious outlook on the offshore oil and gas market for the upcoming 12 months. Given the recent rebalance in the oil market and the lingering effects of COVID-19, industry observers have highlighted specific attributes of offshore oil and gas service companies that could position some more favourably than others in this environment. Having carefully considered these factors, Mermaid is confident in its standing as one of the well-positioned companies poised to leverage the current market conditions. This confidence stems from Mermaid's strategic industry positioning, reputable standing, proven track record, and stringent fiscal discipline, which are expounded upon below:

## GEOGRAPHICAL COVERAGE AND SHALLOW WATER FOCUS

The majority of Mermaid's subsea vessel fleet primarily operates in relatively shallow waters, a strategic choice that proves to be more resilient and less susceptible to the impact of lower oil prices. This resilience is attributed to the lower break-even costs associated with shallow-water fields compared to their deeper-water counterparts, making them less prone to experiencing a decline in service demand. Additionally, Mermaid has established a robust local presence through subsidiaries and joint ventures in cabotage-protected markets, specifically catering to National Oil Companies (NOCs) in various regions such as Europe, the Middle East, Africa, Asia Pacific, and the UK. This deliberate expansion into these markets positions Mermaid advantageously, as NOCs in these regions pursue sustained growth and energy security, displaying a lesser sensitivity to price fluctuations.

## INSPECTION, REPAIR & MAINTENANCE (IRM) FOCUS, AND GEOGRAPHICAL EXPANSION

One of Mermaid's core businesses involves the annual inspection, repair, and maintenance program for Saudi Aramco and NOCs. These key clients have shown resilience against capital expenditure reductions. The medium to long-term demand for our services in this sector remains strong, providing a positive outlook for Mermaid.

Mermaid is actively pursuing service and geographical expansion to capitalize on growth opportunities, focusing on countries with robust demand. This strategic approach is particularly emphasized in the inspection, repair & maintenance (IRM), subsea engineering, installation of cabling systems for connecting devices on offshore oil production platforms (SURF), and subsea cable installation markets. Mermaid aims to reinforce its industry position by diversifying in regions with sustained demand.

## TRACK RECORD OF QUALITY AND SAFETY, MODERN ASSET BASE

Mermaid maintains its status as a significant industry player, boasting an outstanding operational and safety record underscored by a professional management team. The subsea fleet at Mermaid remains notably youthful, with a significant portion less than 15 years old. This positioning proves advantageous, particularly with Oil and Gas majors, who exhibit a preference for newer equipment due to their superior capabilities and operational efficiency.

In response to evolving market dynamics, Mermaid has proactively executed asset growth plans by chartering additional subsea tonnage. This strategic move not only affords Mermaid the flexibility to meet anticipated demand but also allows for the release of such charters in the event of declining demand, all without necessitating significant capital expenditure.

Mermaid's stable order book, primarily in the subsea services sector, is complemented by the anticipation of more near-term contract wins. This existing contract backlog is poised to serve as a robust revenue backbone for 2024, with the potential for additional upside.

## Management Discussion & Analysis

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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 2023 financial numbers, the exchange rate of Baht 34.2233 and Baht 34.8022 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. 2022 and 2023) shall mean the financial years of the Group ending 31 December.

## SUBSEA SERVICES

The subsea services group comprises Mermaid Subsea Services (Thailand) Ltd., Mermaid Subsea Services (Malaysia) Sdn. Bhd., Mermaid Subsea Services (International) Ltd., Mermaid Subsea Services LLC, Mermaid Subsea Services Saudi Arabia Co., Ltd., Mermaid Subsea Oil and Gas Services DMCEST and Mermaid Subsea Services (UK) Ltd. (collectively “Subsea Group”).

### 1. SUBSEA IRM AND SURVEY WORKS

Subsea inspection, repair and maintenance (IRM) service is the main service of Mermaid Group. For 2023, the revenue of subsea IRM and survey works was recorded at US Dollars 154.2 million, representing approximately 56.0% of the total revenue.

#### 1.1 SUBSEA IRM SERVICES (FLEET):

IRM owned fleets are composed of “Mermaid Asiana”, “Mermaid Endurer”, “Mermaid Sapphire”, “Mermaid Commander” and “Mermaid Challenger”.

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

**TABLE 1: FLEET UTILIZATION FOR OFFSHORE SERVICE VESSELS**

Item	FY 2023		FY 2022	
	No. of Days	% Change	No. of Days	% Change
Calendar-Vessel-Days	1,825	0.00%	1,825	-3.13%
Planned Off-Hire Days	71	-26.80%	97	100.00%
Available Days	1,754	1.50%	1,728	-8.28%
Operating Days	1,097	26.38%	868	19.89%
Fleet Utilization	62.54%	12.31%	50.23%	11.80%

Calendar days of owned vessels were 1,825 days in 2023 unchanged from 2022. During the second half of 2023, “Mermaid Challenger” was reactivated to work while “Mermaid Commander” remained cold-stacked. There was no long-term chartered-in vessel that worked for subsea IRM services during the year.

**Revenue from rendering of services:** Revenue from rendering of subsea IRM services increased by 13.64% from US Dollars 62.3 million in 2022 to US Dollars 70.8 million in 2023. This was mainly due to higher utilization of the main performing vessels: “Mermaid Asiana”, “Mermaid Endurer”, “Mermaid Sapphire” and “Mermaid Challenger”. Mermaid Asiana” and “Mermaid Endurer” worked for major customers in the Middle East. “Mermaid Sapphire” was chartered to related party and worked in South East Asia throughout the year. “Mermaid Challenger” was reactivated and bareboat chartered to work in South East Asia for a short period during the year. Total fleet utilization increased from 868 days in 2022 to 1,097 days in 2023.

**Costs of rendering of services:** The costs of subsea IRM services were recorded at US Dollars 57.4 million, which declined by 6.82% from US Dollars 61.6 million of 2022. Costs of rendering of subsea IRM services were consisting of service expenses and depreciation.

**Service expenses:** Service expenses decreased by 6.02% from US Dollars 51.5 million in 2022 to US Dollars 48.4 million in 2023 despite the fact that the revenue from subsea IRM services increased in 2023. The main reason was due to a decline in “Mermaid Sapphire” costs after she was chartered to work under related party. Service expenses were representing 68.36% of revenue from rendering of subsea services, compared to 82.66% of a previous year.

**Depreciation expenses:** Depreciation expenses of subsea IRM fleets slightly decreased by US Dollars 1.1 million from US Dollars 10.1 million in 2022 to US Dollars 9.0 million in 2023.

## 1.2 OTHER SUBSEA IRM AND SURVEY SERVICES (SHORT-TERM CHARTERED-IN FLEET AND NON-FLEET WORK):

**Revenue from rendering of services:** Revenue from rendering of other subsea IRM and survey services markedly increased from US Dollars 45.3 million in 2022 to US Dollars 83.4 million in 2022 as a result of more survey projects and inspection projects that awarded during the year.

**Costs of rendering of services:** In 2023, costs of rendering of other subsea IRM and survey services were recorded at US Dollars 76.1 million, which increased from US Dollar 39.5 million of a previous year. The costs were representing 91.25% of the revenue from rendering of services which slightly higher than 87.20% of 2022.

## 2. SUBSEA CABLE LAYING & ENGINEERING WORKS

The following table provides a summary of the project works for cable laying and engineering services during the fiscal year 2023.

**TABLE 2: PROJECT WORKS FOR CABLE LAYING AND ENGINEERING SERVICES**

Item	FY 2023		FY 2022	
	Amount	% Change	Amount	% Change
No. of Projects	5	25.00%	4	0.00%
Average Project Value (USD MM)	8.1	-39.95%	13.4	143.82%
Average Working Days	164	-15.48%	195	111.41%

**Revenue from rendering of services:** In 2023, the revenue from rendering of cable laying services was US Dollars 40.3 million, a decrease by US Dollars 12.8 million compared to US Dollars 53.1 million in 2022. This came from several projects that worked in the Middle East since 2022 were ended during 2023. It led to the decrease in average project value from US Dollars 13.4 million for 2022 to US Dollars 8.1 million for 2023 and the decrease in average working days from 195 days in 2022 to 164 days in 2023. Nevertheless, the number of projects increased from 4 projects in 2022 to 5 projects in 2023 due to the new projects awarded from major customers in the Middle East and started working in the second half of 2023. Revenue from cable laying services was approximately 14.6% of the total revenue in 2023.

**Costs of rendering of services:** Costs of rendering of cable laying services were recorded at US Dollars 34.7 million in 2023, which were approximately 86.1% of the revenue from rendering of this service. In 2023, the gross profit margin of cable laying services was 13.9%, which improved from the gross profit margin of 12.1% in 2022.

### 3. T&I AND DECOMMISSIONING WORKS

The following table provides a summary of T&I and Decommissioning services during the fiscal year 2023.

**TABLE 3: PROJECT WORKS FOR T&I AND DECOMMISSIONING SERVICES**

Item	FY 2023		FY 2022	
	Amount	% Change	Amount	% Change
No. of Projects	8	-27.27%	11	1000.00%
Average Project Value (USD MM)	10.1	75.61%	5.8	-21.12%
Average Working Days	55	11.07%	49	-40.02%

**Revenue from rendering of services:** In 2023, the revenue from T&I and decommissioning services was US Dollars 80.9 million, which increased approximately by 27.8% compared to US Dollars 63.3 million for 2022. The reasons were mainly due to an increase in average project value from US Dollars 5.8 million for 2022 to US Dollars 10.1 million in 2023, as well as average working days that increased from 49 days in 2022 to 55 days in 2023. This was primarily from a large new awarded project in South East Asia region. Revenue from T&I and decommissioning projects were approximately 29.4% of total revenue of 2023.

**Costs of rendering of services:** In 2023, the costs of rendering of T&I and decommissioning services were recorded at US Dollars 74.6 million, an increase of US Dollars 15.9 million or approximately 27.1% compared to US Dollars 58.7 million from 2022. The increase was in line with higher revenue from this service in 2023. The portion of the costs of T&I and decommissioning services was 92.2% of the revenue of this service, which was stable when compared to 92.6% for 2022. In 2023, the gross profit margin of T&I and decommissioning services was 7.8%, which slightly improved from the gross profit margin of 7.4% for the previous year.

## OPERATING RESULTS

**Service income:** The Group reported total revenue from rendering of services of US Dollars 275.4 million for 2023, an increase of US Dollars 51.5 million or approximately 23.0% compared to US Dollars 223.9 million reported for 2022.

**Gross profit:** The Group generated a gross profit of US Dollars 32.7 million in 2023, a marked increase of US Dollars 15.2 million or 86.86% compared to a gross profit of US Dollars 17.5 million in 2022. The increase was principally from revenue growth as a result of higher utilization of all vessels and higher number of projects done for all service types. With a constructive cost control, the Group generated a higher gross margin in comparison with the previous year.

**General and administrative expenses:** General and administrative expenses were US Dollars 21.0 million in 2023 which increased by 35.5% compared to US Dollars 15.5 million in 2022. An increase mainly came from employee benefit expense, bad debt expense, depreciation expense and professional fee. The increase was to support projects expansion

**Foreign exchange losses:** In 2023, foreign exchange losses resulted in US Dollars 0.9 million, a slightly decrease from US Dollars 0.9 million losses in 2022. The losses occurred from a fluctuation of exchange rates during the year.

**Other income:** In 2023, other income was US Dollars 2.0 million, which increased by US dollars 0.8 million compared to US Dollars 1.2 million in 2022. The increase was mainly due to a reversal of impairment losses of property, plant and equipment.

**Share of profits of joint ventures and associates:** Share of profits of joint ventures and associates was US Dollars 3.9 million in 2023, an increase of US Dollars 1.0 million compared to US Dollars 2.9 million in 2022. The increase was primarily due to higher profit generated by one of the joint ventures of the Group “Zeaquest Co., Ltd.”.

**Finance cost:** The cost of finance was recorded at US Dollars 5.6 million in 2023 which increased by US Dollars 2.3 million compared to US Dollars 3.3 million in 2022. The increase was mainly from interest expense from borrowings from parent company.

**Tax expense:** In 2023, the Group reported tax expense of US Dollars 1.5 million, a decrease of US Dollars 0.1 million compared to US Dollars 1.6 million in 2022.

Based on the factors illustrated above, the Group reported a net profit of US Dollars 9.7 million in 2023, a remarkable improvement from a net profit of US Dollars 0.3 million in 2022.

## LIQUIDITY AND CAPITAL RESOURCES

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

**TABLE 4: TOTAL CAPITALIZATION**

Unit: US Dollars '000

Item	As at 31 December	
	2023	2022
<b>Cash, cash equivalents, current investment and deposits</b>		
Cash and cash equivalents	30,317	7,801
Restricted deposits at financial institutions	15,020	8,405
<b>Total cash, cash equivalents, current investment and deposits</b>	<b>45,337</b>	<b>16,206</b>
<b>Debt</b>		
Short-term borrowing from parent company	11,500	4,000
Short-term borrowing from financial institution	3,064	-
Current portion of long-term borrowing from parent company	17,500	5,000
Current portion of long-term borrowings from financial institution	17,429	14,209
Long-term borrowing from parent company	25,000	-
Long-term borrowings from financial institution	6,767	18,275
<b>Total Debt</b>	<b>81,260</b>	<b>41,484</b>
<b>Shareholders’ Equity</b>		
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)	(217,180)	(226,772)
Other components of equity	(3,075)	(3,146)
<b>Total Shareholders’ Equity</b>	<b>170,603</b>	<b>160,940</b>
<b>Total Capitalization</b>	<b>251,863</b>	<b>202,424</b>
<b>Total Debt to Total Capitalization</b>	<b>0.32</b>	<b>0.20</b>

As at 31 December 2023, total cash and cash equivalents of the Group equaled US Dollars 45.3 million, an increase of US Dollars 29.1 million compared to US Dollars 16.2 million as at 31 December 2022.

For the year ended 31 December 2023, the Group had net cash from operating activities of US Dollars 10.0 million which was mainly from net profit generated for the year that adjusted for non-cash items.

The Group had net cash used in investing activities of US Dollars 12.9 million for the year ended 31 December 2023. This was primarily due to an increase in short-term loan to related party of US Dollars 2.0 million and acquisitions of property, plant and equipment and intangible assets of US Dollars 11.1 million.

The Group had net cash from financing activities of US Dollars 25.3 million for the year ended 31 December 2023. This was mainly due to cash received from borrowings from parent company of US Dollars 45.0 million and cash received from borrowings from financial institutions of US Dollars 9.0 million. These were offset against a repayment to financial institution of US Dollars 14.3 million, a payment of lease liabilities of US Dollars 10.3 million, and finance cost paid of US Dollars 4.0 million.

As at 31 December 2023, the Group had a total debt of US Dollars 81.3 million, comprising of short-term borrowings from parent company of US Dollars 11.5 million, short-term borrowing from financial institution of US Dollars 3.1 million, long-term borrowings from parent company of US Dollars 42.5 million and long-term borrowings from financial institution of US Dollars 24.2 million. In comparison, the Company had a total debt of US Dollars 41.5 million as at 31 December 2022. Outstanding loans were obtained mainly for acquisitions of vessels, rigs and equipment and working capital.

## CAPITAL EXPENDITURES

The capital expenditure in 2023 was an investment in property, plant and equipment and intangible assets totaling of US Dollars 11.5 million which mainly composing of cable equipment, vessels dry-docking, tools and equipment and office equipment.

## QUALITATIVE AND QUANTITATIVE MARKET RISK

### 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.

#### a) Trade accounts receivables

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 commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

**b) Amount due from related parties, 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 amount due from related parties 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.

**c) 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.

**d) Guarantees**

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2023, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

**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.

**MARKET RISK**

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

**a) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

**b) 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 variable. So, the Group is primarily exposed to interest rate risk.

**BUSINESS CONTINUITY RISK**

The Group has already overcome the long-lasting impact of Covid-19 pandemic. For this current year forward, the Group will concentrate more on the risk related to environment especially climate change which could lead to an increase of the company's cost, operation rescheduling or cessation. The Group will mitigate the risk by closely monitoring, analyzing historical data along with the forecast as advantages, pre-cautious assessment the impact on project(s) and negotiate with counterparties for related terms and conditions with a purpose to reduce the exposures. The Group will also essence on the importance of business sector diversification as one of the major strategies.

# Risk Management

Mermaid Maritime Public Company Limited and its subsidiaries, collectively referred to as the Mermaid Group, maintain a robust Risk Management framework. This framework actively engages in identifying, assessing, and monitoring risks to foster proactive decision-making within the Management team. Its primary goal is to mitigate risks effectively and prevent potential issues. Consequently, a dedicated committee is in place to manage the risk appetite articulated by shareholders, ensuring alignment with the group’s corporate vision and mission and facilitating the continued achievement of organizational objectives.

## ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Mermaid Group’s Enterprise Risk Management (ERM) framework offers a comprehensive and systematic approach to risk management. Through established frameworks, methodologies, and tools, the Group develops its risk management practices. Organizational reporting structures have been designed to ensure an integrated and holistic view of risk management across the Group. This includes processes for identifying, assessing, and prioritizing risks, as well as designing and implementing mitigating actions. Additionally, there are mechanisms in place for monitoring and reporting risks, adhering to Group policies, and setting limits to address key risks effectively.



The Group has formulated a robust risk management framework to offer assurance regarding operational effectiveness and efficiency, ensure regulatory compliance, support business sustainability, facilitate reliable reporting to stakeholders, and promote responsible behavior.

## 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

As a group, our ERM framework provides a robust and holistic enterprise-wide view of potential events that may affect an organization’s ability to achieve its 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.

The Mermaid Group employs a comprehensive five-step risk management process comprising risk identification, risk assessment, risk response, monitoring, and reporting. During the assessment phase, consideration is given to both the potential impact and likelihood of risks, encompassing financial, operational, compliance, reputational, and other relevant factors. Tools such as risk rating matrices and risk registers are utilized as part of this systematic approach.

Our Enterprise Risk Management (ERM) framework undergoes regular reviews to reflect changes in the business and operating environments. We draw upon established standards and guidelines, including the Singapore Code of Corporate Governance, ISO31000 standards for Risk Management, COSO Enterprise Risk Management-Integrated Framework, and the Guidebook for Audit Committees (2014).

As a Group, our ERM framework provides a robust and holistic enterprise-wide perspective on potential events that may impede the achievement of organizational objectives. We adopt a balanced approach to risk management, striving to minimize risks while optimizing returns for the Group. This entails undertaking only appropriate and well-considered risks.

## KEY RISKS AND MITIGATION STRATEGIES

The Group conducts quarterly reviews of its key risk profile or whenever significant changes occur in the business or operating environment. These reviews entail examining both internal and external factors to assess the Group’s key risk profile thoroughly. The Risk Management Committee (RMC) analyzes and deliberates on the key risk profiles of strategic business units, as well as pertinent risk factors in the global environment.

### A) STRATEGIC RISKS

Strategic risks encompass uncertainties surrounding the Group’s business plans, strategies, and the environments in which Mermaid operates. These include market forces, regulatory changes, competitive dynamics, customer preferences, and technological advancements.

Global market expansion serves as a key strategy to mitigate regional-specific risks, as diverse geographical presence offers mutual support during adverse conditions. Additionally, diversifying service offerings based on anticipated emerging demands helps generate supplementary revenue streams, reducing dependence on existing services.

Risk assessment is an integral component of strategic planning, budget reviews, policy formulation, and investment decisions. Regular reviews with the Board ensure the Group remains resilient in adversity and agile in seizing opportunities, as every opportunity carries inherent risks.

Continuous monitoring of business, economic, political, regulatory, and competitive landscapes provides management with insights into upcoming developments, facilitating proactive risk management and strategic decision-making.

## **B) CREDIT RISKS**

**Credit Default Risks:** Credit default risk pertains to uncertainties in customers meeting financial obligations to the Group, potentially affecting the collectability of receivables, a common practice in the oil and gas industry. To mitigate customer credit risk, the Group enforces a stringent credit policy, closely monitors accounts receivable collections, and conducts feasibility studies to expand its customer base globally.

**Concentration Risk:** The Group relies heavily on a few customers for revenue, posing a risk of significant losses if projects unexpectedly end. To diversify its customer base and mitigate credit risk, the Group conducts market research, seeks new contracts, and anticipates emerging market opportunities across regions.

## **C) OPERATIONAL RISKS**

Operational risk encompasses failures in internal processes, human factors, or external events affecting the Group's operations. The Group employs experienced personnel and standardized processes for risk assessment, decision-making, and implementation of controls. Key risk areas are identified early in project evaluation, and proactive measures are taken throughout project execution to ensure timely completion, budget adherence, and compliance with safety and quality standards.

## **D) FINANCIAL RISKS**

Financial risk management involves mitigating credit, liquidity, currency, interest rate, and price risks to meet financial obligations. The Group manages exposure to currency fluctuations through natural currency hedges and initiates forward contracts when necessary. Tax management strategies are employed to ensure compliance with local regulations and optimize post-tax margins. Regular reviews of loan covenants and financing commitments are conducted to maintain financial flexibility.

## **E) COMPLIANCE RISKS**

The Group faces increasing scrutiny and enforcement by authorities across its operating countries, necessitating strict adherence to legal and regulatory obligations. A compliance checklist is used to identify and review quarterly legal and regulatory requirements. Ongoing monitoring ensures alignment with evolving laws and regulations.

## F) HUMAN RESOURCES RISKS

Effective people and talent management mitigate human resources risks. The Group emphasizes employee engagement, capability development, succession planning, and leadership development to attract and retain talent cost-effectively. Monitoring systems and early warning systems are employed to address HR risks promptly and embed effective HR risk management strategies into overall governance and management.

## G) EXTERNAL RISKS

External risks, such as commodity market volatilities, economic health, geopolitical changes, and natural disasters, impact the Group and its stakeholders. The COVID-19 pandemic is an example of an external event affecting global oil demand and economic stability. The Group closely monitors global situations, allowing for proactive risk management and maintaining business continuity. Mitigation strategies aim to minimize external risks while achieving an appropriate risk-reward balance.

## ENHANCING RISK MANAGEMENT CULTURE

In our pursuit of establishing a robust risk management culture, we prioritize enhancing risk awareness to minimize enterprise exposure. Our objective is to cultivate a culture where employees are empowered to make informed decisions regarding risk, fostering an environment of prudent risk-taking. Beyond mere awareness, our focus extends to ingraining risk-informed decision-making into the fabric of our organization.

Central to our efforts is the commitment of our management to instill a strong risk culture within the Group. This entails promoting prudent risk-taking throughout the decision-making processes and business operations. We remain vigilant in identifying emerging threats that may impact our operations, collaborating closely with stakeholders to evaluate and improve our risk management framework continuously. By doing so, we aim to seize growth opportunities while effectively navigating the challenges of a dynamic business landscape.

# SUSTAINABILITY REPORT



# Reporting Information

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## REPORTED BY,

Mr.Parthi Naidu (Senior Consultant)

Dr.S.David (Consultant)

Heron Academy Pte Ltd, 1 Raffles Place, #19-61, One Raffles Place, Singapore 048616



### About Heron Academy Pte Ltd:

Heron Academy is a consultancy firm specializing in Environmental, Social, and Governance (ESG) reporting and sustainability solutions. With expertise in comprehensive ESG impact assessments, Heron Academy supports companies in aligning their business strategies with sustainable development goals. Through their services, Heron Academy assists organizations in understanding and mitigating their environmental footprint, enhancing social responsibility, and ensuring strong governance practices.

In their collaboration with Mermaid Maritime Group, Heron Academy played a pivotal role in evaluating Mermaid's ESG impacts for the financial year January to December 2023. This involved a detailed assessment aligned with the Global Reporting Initiative (GRI) and the Task Force for Climate-Related Financial Disclosures (TCFD) frameworks. Heron Academy's contribution was instrumental in establishing a baseline for Mermaid's ESG impacts, setting targets, and monitoring progress over time. Their work highlights the importance of proactive identification of material ESG issues, enabling Mermaid Maritime Group to enhance its value in business, financial terms, and stakeholder relations.

Heron Academy's approach in this project exemplifies its commitment to helping businesses navigate the complexities of sustainability reporting and management, ensuring that their clients are well-equipped to communicate their commitment to sustainable development effectively.

**Site Visits:** On-site engagements at the Bangkok office and the Pinthong site provided valuable opportunities for direct observation and interaction, enhancing the understanding of onshore operations and reinforcing ESG awareness among key staff members.

**Data Validation:** The rigorous validation of data through cross-referencing with publicly available sources, audited annual reports, and consistency checks across multiple interviews demonstrates a thorough and diligent approach to ensuring the accuracy and reliability of reported information.

## ENHANCING SUSTAINABILITY REPORTING

This meticulous methodology not only facilitates the accurate reporting of current sustainability practices but also identifies areas for improvement and future focus. It reflects a holistic approach to understanding and documenting the company's sustainability journey, taking into consideration the environmental, social, and governance aspects that are critical to its operations and strategic vision.

Mermaid Maritime Group's methodical and collaborative approach to gathering and validating data for its sustainability report sets a high standard for ESG reporting in the industry. By incorporating insights from a diverse range of internal stakeholders, conducting on-site evaluations, and rigorously validating data, Mermaid Maritime ensures that its sustainability report is a true reflection of its commitment to sustainability and provides a solid foundation for tracking progress and making informed decisions for future sustainability initiatives.

This process not only enhances the credibility of the report but also reinforces Mermaid Maritime's dedication to continuous improvement in sustainability performance, aligning with best practices and contributing to the company's long-term success.

# Executive Summary

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Mermaid Maritime Group's sustainability report for the financial year January to December 2023 represents a significant milestone in the company's journey towards integrating Environmental, Social, and Governance (ESG) considerations into its core operations. By aligning with the Global Reporting Initiative (GRI) and the Task Force for Climate-Related Financial Disclosures (TCFD) frameworks, Mermaid has established a comprehensive baseline for assessing its ESG impacts and has laid a solid foundation for ongoing improvement.

## ENVIRONMENTAL STEWARDSHIP

Mermaid has demonstrated a strong commitment to environmental stewardship by implementing measures aimed at reducing greenhouse gas (GHG) emissions, improving air quality, optimizing energy consumption, and effectively managing waste, water, and wastewater. The company's investment in advanced subsea vessels, diving equipment, and remotely operated vehicles underscores its dedication to minimizing ecological impacts while delivering high-quality services to oil and gas majors across five regions.

## SOCIAL RESPONSIBILITY

The company's commitment to social responsibility is evident in its efforts to foster gender and age-based diversity within its workforce, ensuring a safe and healthy work environment, securing data, and upholding human rights and community relations. Through initiatives like donating used bunker beds to local orphanages and participating in tree planting activities, Mermaid Maritime showcases its engagement in community development and environmental conservation.

## GOVERNANCE EXCELLENCE

Mermaid's governance structure is designed to ensure transparency, ethical behavior, and compliance with legal and regulatory standards. The company's focus on ethical behaviours, anti-corruption measures, and the management of legal and regulatory environments highlights its commitment to maintaining high governance standards. The composition of its board and the emphasis on incorporating ESG factors into strategic decision-making processes reflect Mermaid's dedication to accountability and ethical leadership.

## PROACTIVE SUSTAINABILITY APPROACH

Throughout the report, it is clear that Mermaid Maritime's approach to sustainability is not only reactive but also proactive. The company actively identifies material sustainability issues and addresses them through operational efficiencies, safety commitments, and a focus on innovation and growth. By commissioning Heron Academy to conduct an ESG impact assessment, Mermaid has taken a significant step towards understanding its sustainability performance and identifying areas for future improvement.

Mermaid's sustainability report for 2023 is a testament to the company's unwavering commitment to integrating sustainability into its business model. By focusing on environmental impacts, social responsibility, and governance, Mermaid not only enhances its operational efficiency and market competitiveness but also contributes positively to the global sustainability agenda. As the company continues to evolve and adapt to the rapidly changing industry landscape, its dedication to sustainability will undoubtedly remain a key driver of its strategic vision and long-term success.

## Message from our leaders



**K. CHALERMCHAI MAHAGITSIRI**  
EXECUTIVE VICE CHAIRMAN

As a forefront, forward looking Maritime Services provider, Mermaid is dedicated to combining sustainable excellence with innovative practices, ensuring an environmentally-driven, high-quality array of services in the offshore Oil and Gas space. Our strategic focus encompasses rigorous risk management which in turn fosters continuous improvement in all our operations for the benefit of the environment, our clients and our people.

**K. PAUL WHILEY**  
CHIEF OPERATING OFFICER AND EXECUTIVE DIRECTOR

MSS is unwavering in its dedication to advancing performance, championing sustainability, and striving for net zero emissions. By consistently monitoring, measuring, and refining their systems and procedures, they not only prioritize safety and health but also actively engage in the fight against pollution. This commitment extends to fostering a culture of environmental stewardship and sustainable practices across all operations, ensuring that their pursuit of excellence is aligned with the well-being of the planet.



**K. PHIBOON BUAKHUNNGAMCHAROEN**  
CHIEF FINANCIAL OFFICER

“As a maritime services leader, sustainability is key in our strategy, shaping our offshore, transportation, and installation services. This eco-friendly approach drives our financial planning and growth, allowing us to offer comprehensive, sustainable services to the offshore oil and gas sector. Our dedication to sustainability is integral to our commitment to innovation and high-quality service.”

**K. PATTARAPOL WANNARAT**  
DEPUTY CHIEF OPERATING OFFICER

Mermaid Maritime stands as a leader in subsea services, dedicated to advancing industry standards through strategic investment in talent and technology. We are committed to rigorous adherence to engineering codes, proactive exploration of opportunities, and the meticulous management of risks. Our philosophy is one of continuous improvement and learning, ensuring our operations are sustainable and at the pinnacle of maritime excellence.



## Introduction

Mermaid Maritime Group’s strategic decision to engage Heron Academy for an Environmental, Social, and Governance (ESG) impact assessment for the financial year January to December 2023 marks a pivotal step in embedding sustainability into the heart of its operations. This initiative underscores Mermaid’s dedication to transparency, accountability, and sustainable development, reflecting its commitment to not only navigating but also leading within the ever-evolving and challenging landscape of the oil and gas industry.



Figure 1.a : Picture showing Mermaid Asiana - Diving Support Vessel that was built in 2010 (14 years ago) and is sailing under the flag of Panama



Figure 1.b : Picture showing Mermaid Van Gogh - Van Gogh comes with built-in saturation diving and air diving system, 120 beds, and a 150-ton crane.

### STRATEGIC ALIGNMENT WITH ESG PRINCIPLES

Mermaid’s strategic focus on “Strengthening our Core” and “Positioning for Growth” is seamlessly aligned with the principles of ESG. By establishing a robust baseline for ESG impacts, the company is well-positioned to set meaningful targets, track progress, and make informed decisions that enhance shareholder value over both the short and long term. This approach demonstrates a clear understanding of the integral role ESG factors play in driving sustainable growth, enhancing operational efficiency, and building a resilient business model capable of withstanding industry challenges.

### IMPORTANCE OF ESG REPORTING

The comprehensive ESG report, prepared in alignment with the Global Reporting Initiative (GRI) and the Task Force for Climate-Related Financial Disclosures (TCFD), serves as a testament to Mermaid’s proactive stance on sustainability. This reporting framework enables Mermaid to systematically identify, assess, and address material sustainability issues, turning potential challenges into opportunities for growth, innovation, and competitive advantage. Moreover, ESG reporting facilitates transparent communication with stakeholders, including investors, customers, employees, and the broader community, about the company’s sustainability initiatives, achievements, and future ambitions.

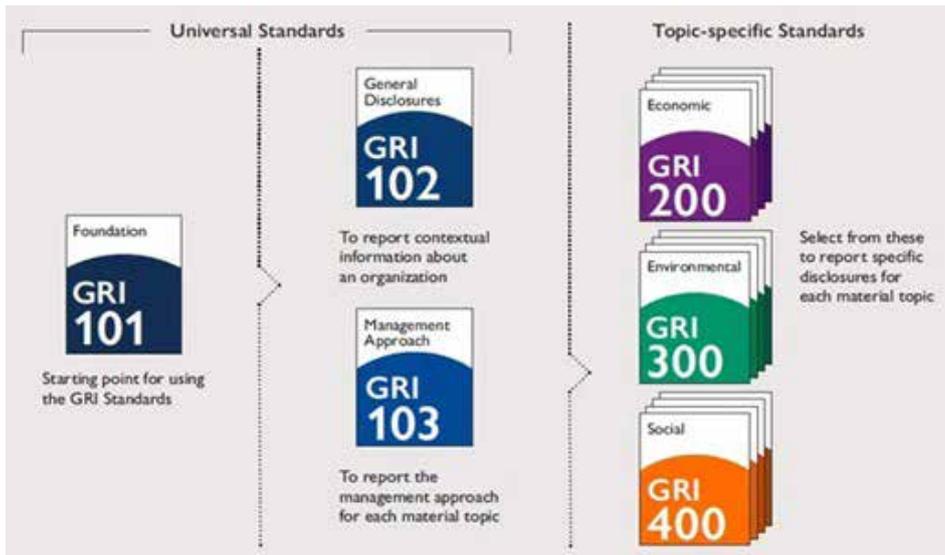


Figure 2 : GRI Standards



Figure 3 : ESG Framework

**BUSINESS AND FINANCIAL VALUE OF ESG**

- **Mitigating Risks:** Proactively identifying and addressing environmental, social, and governance risks can prevent potential financial and reputational damage.
- **Strengthening Stakeholder Relations:** Demonstrating commitment to sustainability strengthens relationships with stakeholders, fostering loyalty and trust.
- **Unlocking New Opportunities:** Emphasizing ESG can uncover new business opportunities, such as innovations in sustainable technologies or access to green financing options.
- **Enhancing Brand Reputation:** A strong ESG record can significantly improve Mermaid’s brand image, attracting customers and investors who prioritize sustainability.

Mermaid’s engagement with Heron Academy to conduct an ESG impact assessment is a strategic move that not only aligns with global sustainability reporting standards but also positions the company for sustainable growth. By prioritizing ESG considerations, Mermaid sets a precedent for the industry, demonstrating that integrating sustainable practices into core business operations is not only a moral imperative but also a strategic business decision that drives long-term success and shareholder value. As Mermaid continues to navigate the complexities of the oil and gas sector, its commitment to ESG principles will undoubtedly play a crucial role in shaping its future trajectory and contributing to a more sustainable and equitable global economy.



**Figure 4 : TCFD Framework**

## Scope

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Mermaid's comprehensive ESG assessment, aligned with the Global Reporting Initiative (GRI) and informed by the Task Force for Climate-Related Financial Disclosures (TCFD), showcases a multifaceted approach to sustainability. Each of the environmental, social, and governance indicators not only aligns with these frameworks but also supports specific United Nations Sustainable Development Goals (UNSDGs), further emphasizing Mermaid's commitment to sustainable development.

### ENVIRONMENTAL INDICATORS

- **GHG Emissions** (GRI 305: Emissions; UNSDG 13: Climate Action): Targets reductions in greenhouse gas emissions, contributing to global efforts to combat climate change.
- **Air Quality** (GRI 305: Emissions; UNSDG 11: Sustainable Cities and Communities): Focuses on improving air quality, enhancing environmental health and well-being.
- **Energy Consumption** (GRI 302: Energy; UNSDG 7: Affordable and Clean Energy): Aims to improve energy efficiency, reducing environmental impact and operational costs.
- **Waste Generation** (GRI 306: Waste; UNSDG 12: Responsible Consumption and Production): Implements effective waste management to minimize pollution and promote recycling.
- **Water and Wastewater Management** (GRI 303: Water and Effluents; UNSDG 6: Clean Water and Sanitation): Ensures sustainable water use and protects water resources.
- **Ecological Impacts** (GRI 304: Biodiversity; UNSDG 15: Life on Land): Mitigates impacts on ecosystems, promoting biodiversity conservation.
- **Climate Transition Risks** (TCFD; UNSDG 13: Climate Action): Identifies risks from the transition to a low-carbon economy, enabling strategic resilience.
- **Climate Physical Risks** (TCFD; UNSDG 13: Climate Action): Assesses risks from climate change impacts, ensuring long-term operational sustainability.
- **Climate-Related Opportunities** (TCFD; UNSDG 7: Affordable and Clean Energy, UNSDG 13: Climate Action): Recognizes growth opportunities in renewable energy and carbon offsetting.

### SOCIAL INDICATORS

- **Gender Diversity** (GRI 405: Diversity and Equal Opportunity; UNSDG 5: Gender Equality): Enhances decision-making and creativity through gender diversity.
- **Age-Based Diversity** (GRI 405: Diversity and Equal Opportunity; UNSDG 10: Reduced Inequalities): Values diverse age perspectives within the workforce.
- **Occupational Health & Safety** (GRI 403: Occupational Health and Safety; UNSDG 3: Good Health and Well-being, UNSDG 8: Decent Work and Economic Growth): Prioritizes employee well-being and safety.

- **Labour Practices** (GRI 401: Employment, GRI 402: Labor/Management Relations; UNSDG 8: Decent Work and Economic Growth): Adheres to ethical labor standards and fosters a positive work culture.
- **Human Rights & Community Relations** (GRI 412: Human Rights Assessment; UNSDG 16: Peace, Justice, and Strong Institutions): Demonstrates commitment to human rights and community engagement.
- **Data Security** (GRI 418: Customer Privacy; UNSDG 9: Industry, Innovation, and Infrastructure): Protects information integrity and privacy.
- **Product Quality & Safety** (GRI 417: Marketing and Labeling; UNSDG 12: Responsible Consumption and Production): Ensures high standards for products and services.

## GOVERNANCE INDICATORS

- **Board Composition** (GRI 102: General Disclosures; UNSDG 5: Gender Equality, UNSDG 16: Peace, Justice, and Strong Institutions): Focuses on diversity and expertise for effective oversight.
- **Ethics Behaviour** (GRI 205: Anti-corruption; UNSDG 16: Peace, Justice, and Strong Institutions): Upholds ethical conduct and integrity.
- **Legal & Regulatory Management** (GRI 307: Environmental Compliance, GRI 419: Socioeconomic Compliance; UNSDG 16: Peace, Justice, and Strong Institutions): Ensures adherence to legal and regulatory standards.
- **Critical Incident Risk Management** (GRI 206: Anti-competitive Behavior, GRI 307: Environmental Compliance; UNSDG 9: Industry, Innovation, and Infrastructure, UNSDG 13: Climate Action): Prepares for and manages incidents to protect assets and stakeholders.

Mermaid's strategic integration of ESG indicators with global sustainability frameworks and UNSDGs demonstrates a forward-thinking approach to sustainability. This alignment not only enhances Mermaid's competitive advantage and resilience but also solidifies its role as a leader committed to contributing positively to sustainable development across the offshore, transportation, and installation services industry.

# Materiality

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The comprehensive materiality assessment conducted by Mermaid, leveraging the 2022 materiality assessment table and the SGX (Singapore Exchange) Core ESG (Environmental, Social, and Governance) Metrics, signifies a strategic approach to identifying and prioritizing sustainability issues that are of paramount importance to the company and its stakeholders. The involvement of Mermaid's cross-functional Sustainability Team underscores the thoroughness of the process, ensuring that the diverse perspectives of management, employees, and key stakeholders are incorporated.

The decision to conduct future materiality assessments with a broader range of stakeholders through in-person or online consultations reflects a commitment to enhancing stakeholder engagement and ensuring the relevance and accuracy of identified material issues. This approach is critical for capturing evolving expectations and emerging sustainability trends that may impact Mermaid's operations and strategic direction.

## KEY AREAS OF MATERIALITY

The materiality review, validated by the sponsor and endorsed by the Executive Team, highlighted ten areas of critical importance to Mermaid's sustainability agenda as per Appendix 1 – Materiality Table for 2023.

- **GHG Emissions:** Emphasizing the need to monitor, report, and reduce greenhouse gas emissions in line with global efforts to combat climate change.
- **Air Quality:** Focusing on minimizing emissions that affect air quality, particularly those arising from vessel operations.
- **Energy Consumption:** Prioritizing energy efficiency and the use of renewable energy sources to reduce environmental impact and operational costs.
- **Waste Generation:** Implementing effective waste management strategies to minimize pollution and promote recycling and circular economy principles.
- **Gender Diversity:** Promoting gender diversity within the workforce and leadership to enhance decision-making and innovation.
- **Age-Based Diversity:** Recognizing the value of a diverse age range within the workforce to foster a wide range of perspectives and experiences.
- **Occupational Safety & Health (OSH):** Ensuring a safe and healthy work environment for all employees and contractors.
- **Board Composition:** Focusing on the diversity and expertise of the board to ensure effective governance and strategic oversight.
- **Ethical Behaviour:** Upholding high standards of ethical conduct and integrity across all business activities.
- **Legal & Regulatory Environment:** Ensuring compliance with legal and regulatory requirements to mitigate risks and maintain lawful operations.

## ALIGNMENT WITH SGX CORE ESG MATRIX AND TCFD RECOMMENDATIONS

The identified areas of materiality align with the SGX Core ESG Matrix recommendations and the Task Force for Climate-Related Financial Disclosures (TCFD) reporting guidelines. This alignment demonstrates Mermaid Maritime Group's commitment to adhering to best practices in sustainability reporting and governance, facilitating transparency, and enhancing accountability to stakeholders.

Mermaid's materiality assessment process is a fundamental component of its sustainability strategy, guiding the company's focus on issues that are most significant to its business and stakeholders. By aligning with the SGX Core ESG Metrics and TCFD recommendations, Mermaid ensures that its sustainability efforts are both relevant and impactful. The planned engagement with a broader stakeholder base for future assessments will further refine and validate Mermaid's sustainability priorities, ensuring that the company continues to address the most pressing environmental, social, and governance challenges in its pursuit of sustainable development.

## Methodology

The methodology employed by Mermaid for the compilation of its sustainability report exemplifies a rigorous and comprehensive approach, ensuring the reliability and accuracy of the data and information presented. This process, guided by the expertise of the Sustainability Team and the strategic oversight of the Sustainability sponsor, underscores the company's commitment to a transparent and accountable sustainability reporting practice.

### DATA COLLECTION AND VERIFICATION PROCESS

- **Cross-Functional Team Involvement:** The composition of the cross-functional sustainability team, detailed in Appendix 2 – Sustainability Team, highlights the collaborative effort across various departments, leveraging a broad spectrum of expertise and insights into sustainability practices.
- **Expert Consultations:** Engaging department heads and subject-matter experts (SMEs) in the data collection process, as listed in Appendix 3 - Interviewees for Data and Information, ensures that the report encompasses a wide range of perspectives and deep insights into operational practices, particularly regarding climate-related financial impacts.
- **Regular Sustainability Meetings:** Regular meetings facilitated discussions on potential sustainability programs, enabling a dynamic and iterative process of review and endorsement by the sponsor, thereby aligning initiatives closely with strategic sustainability goals.



Figure 5 : Executive Team Meeting during Thailand Visit

Further consultation on programs that will improve sustainability were provided and discussed during weekly sustainability working team meetings and were endorsed by the sponsor before reporting.

In addition, a site visit was conducted to the Bangkok office for an Executive Team Members' engagement where strategic issues were discussed, and to the Pinthong site to view onshore operations and conduct a ESG awareness training for key staff members.

Every effort was made to validate data and information with cross referencing to the publicly available website, audited annual reports and asking same questions with more than one interviewee.



**Figure 6 : Sustainability Training Conducted During Thailand Visit**

# ENVIRONMENT



## Green House Gas Emission

The data collected from Mermaid shows the primary Scope 1 Carbon Dioxide equivalent ( eCO<sub>2</sub>) contribution to be from ships in the Marine Department. Mermaid's ships typically use Marine Gas Oil (MGO) for bunker fuel and when the fuel is combusted it emits carbon. Using the type and quantity of fuel the eCO<sub>2</sub> was calculated using a carbon conversion factor, as per standard formulae.

GHG - Scope 1	2019	2020	2021	2022	2023	Target	Standards
Fuel consumption (tons)	9,692	9,079	8,850	7,361	13,113	eCO <sub>2</sub> intensity = 123 (5 % less than 2023)	GRI 305-1a
eCO <sub>2</sub> (tons)	30,265	28,351	23,629	34,671	35405		
Annual Revenue (000,000'USD)	106	84	112	224	274		
eCO <sub>2</sub> intensity (tons/USD)	286	337	211	155	129		

**Table 1 : Scope 1 Emission**

Mermaid's business has doubled over the last five years. Leading to more ship movement and greater use of MGO as bunker fuel. Hence, to compare the year-on-year carbon emission, eCO<sub>2</sub> data was normalised with business revenue to determine the eCO<sub>2</sub> intensity for a more representative measure of carbon emission trend.

In 2023 the data is for 5 Mermaid owned and operated ships. The previous 4 years were for only 2 ships and the eCO<sub>2</sub> intensity trend has been favourable with a clear downward trend of a 46% reduction from 2019 to 2022. The 5 ships for 2023, including the 2 ships for 2019 to 2022, and 2 other ships in non-operational and under Joint Venture partner operations are listed in Appendix 4 – Vessel Details.

### MERMAID'S CURRENT PROGRAMS THAT LEAD TO THE REDUCTION OF ECO<sub>2</sub> INTENSITY INCLUDES:

- Optimization of current ship engine usage through procedural changes and hardware modifications.
- Encouragement to customers with sustainability 'Green' value proposition to purchase and supply lower sulphur fuel and adopt environmentally friendly practices. Typical low sulphur fuel is < 0.05% sulphur content.

**MERMAID NEW PROGRAMS TO REDUCE ECO2 INTENSITY INCLUDE:**

- Install new ship engines with biodiesel (Methanol) and hybrid battery packs.
- Enhance hardware for wear and tear efficiency.
- Employ more propulsion hardware to minimize excessive manoeuvring and fuel usage for dynamic positioning in the open seas and oceans.

In addition, Mermaid may consider installing a Remote Fuel Monitoring System with Smart (RFMS) Meters and Artificial Intelligence (AI) enabled fuel optimization.

The new baseline with the expanded fleet data is the year 2023 and the target for next year is a further 5% reduction in eCO2 intensity. In line with the UN global goal of achieving interim 45% reduction by 2030 and net zero by 2050.

All shipping data are compiled by DNV and hence are of reliable 3rd party scrutiny. Hence, no further verification of the provided data was conducted this time.



## Air Quality

Mermaid Maritime Group is committed to improving air quality by effectively managing and reducing emissions of nitrogen oxides (NOx) and sulfur oxides (SOx) resulting from its fleet operations. These efforts are documented in Table 2 - Air Quality Calculations, which provides a comprehensive overview of the company's performance in managing air pollutants, in alignment with the Global Reporting Initiative (GRI) standards.

Air Quality	2019	2020	2021	2022	2023	Target	Standards
SOx emission	1061	994	968	NA	524	NOx intensity = 1.82 (5 % less than 2023)	GRI 305-1a
Annual Revenue (000,000'USD)	106	84	112	224	274		
SOx emission intensity (tons/000,000'USD)	10	12	9	NA	1.9		
NOx emission (tons)	1108	1038	1011	NA	1169	SOx intensity = 4.05 (5 % less than 2023)	
Annual Revenue (000,000'USD)	106	84	112	224	274		
NOx emission intensity ( tons/000,000'USD)	10	12	9	NA	4.2		

**Table 2 - Air Quality Calculations**

The Nitrogen Oxides (NOx) and Sulphur Oxides (SOx) emission intensities are calculated data of air pollution from the exhaust of ships, as per standard formulae. The data for the last 4 years have been inconsistent and ranging from 9-12 tons/million USD. The data for 2022 was not available. In 2023, we see a down trend by over 50% when compared to previous years, however the calculations could be different. Hence, the 2023 emission intensity will be used as baseline for a 5% target reduction for 2024.

In addition to Mermaid's current and new programs to reduce eCO2 intensity, consider installing scrubbers and sensors in the exhaust stacks to clean and reduce in-situ measured air pollution.

## Energy Consumption

Mermaid Maritime Group's commitment to environmental sustainability extends to the management of its energy consumption and the associated Scope 2 greenhouse gas emissions, which result from purchased electricity. The company's efforts to mitigate its environmental impact through efficient energy use and the integration of renewable energy sources are detailed in Table 3 - Scope 2 Emission Table. This table aligns with the Global Reporting Initiative (GRI) standards, specifically GRI 305-2a, which focuses on emissions from purchased electricity.

GHG - Scope 2	2019	2020	2021	2022	2023	Target	Standards
<b>Carbon Emission from Electricity Consumption</b>						<b>eCO2 intensity = 1.56 (5 % less than 2023)</b>	<b>GRI 305-2a</b>
<b>Purchased Electricity (KwH)</b>	<b>1343241</b>	<b>1061667</b>	<b>1473503</b>	<b>611646</b>	<b>932952</b>		
<b>eCO2 (tons)</b>	<b>733</b>	<b>588</b>	<b>723</b>	<b>283</b>	<b>417</b>		
<b>Renewable energy generation</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>81840</b>		
<b>eCO2 (tons)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>33</b>		
<b>Total eCO2 (tons)</b>	<b>733</b>	<b>588</b>	<b>723</b>	<b>283</b>	<b>450</b>		
<b>Annual Revenue (000,000'USD)</b>	<b>106</b>	<b>84</b>	<b>112</b>	<b>224</b>	<b>274</b>		
<b>eCO2 intensity (tons/USD)</b>	<b>6.9</b>	<b>7.0</b>	<b>6.5</b>	<b>1.3</b>	<b>1.6</b>		

**Table 3 - Scope 2 Emission**

Purchased electricity is primarily used in the various offices and onshore operations like warehouses and workshops. A complete list of the offices and onshore facilities are listed in Appendix 5 – Offices and Onshore Facilities.

The eCO2 intensity for 2019 to 2021 was inconsistent and ranged from 6.5 to 7.0. There was a dip in the 2022 purchased electricity usage while revenues doubled. Since in 2023 with the installation of solar panels commissioned in July the purchased electricity usage has decreased and the intensity at 1.62 will be used as a baseline for future comparison.

The solar panel installation in July 2023 is a significant sustainability initiative in the use of renewable energy leading to a noticeable reduction in electricity costs from USD 62,041 in 2022 to USD 57,290 in 2023. This 7.5% decrease in cost can be attributed to both the solar installation and operational adjustments, including the closure of certain office wings during periods of lower business activity.

Mermaid may consider installation of additional solar panels to increase use of renewable and reduce reliance on purchased electricity that uses fossil fuels, a major contributor to carbon emission. Install energy-efficient inverter technology air conditioners, automatic on/off LED lighting systems and solar-powered streetlights in parking areas. These actions aimed at reducing purchased electricity dependence will underscore the company's commitment to economic savings and environmental sustainability. The target is to reduce energy intensity by 5% from 2023 data.



**Figure 7 : Solar Panels Installed at Pinthong Office**

# Waste Management

Mermaid’s waste generation has been primarily onboard ships and onshore operations. It has both hazardous and non-hazardous waste. The 2019 to 2021 period shows a total waste generation ranging from 491 to 595 tons, a steady increase. The 2022 data shows almost a 3-fold increase to 1,458 tons and a 2-fold increase in revenue. The 2023 data shows waste generation halving from the previous year.

Waste Generation	2019	2020	2021	2022	2023
Hazardous waste generation (tons)	71	93	130	95	47
Non-Hazardous waste generation (tons)	420	413	465	1362	681
Total waste generation (tons)	491	506	595	1458	728
Annual Revenue (000,000’USD)	106	84	112	224	274

Table 4 – Hazardous/Non-Hazardous Waste Management



Given the inconsistency of the data no targets are set for this year until further analysis in 2024. Regardless Mermaid strictly adheres to the International Convention for the Prevention of Pollution from Ships (MARPOL) requirements for waste management on ships, segregating solid and liquid waste into 5-6 categories and disposing of it either at sea, under legal requirements specific to geographic locations. And ashore to authorized waste collectors for incineration or landfill, or by handing it over to customers for disposal as per contractual agreements. The relevant documents and conformance to ISO 14001 are in good order.

Onshore generated hazardous waste, including paint, bulbs, and plastics are segregated from non-hazardous waste like paper and cardboard. Notably, hazardous materials like plastics are recycled through TTA and disposed of through authorized companies, while non-hazardous items such as mattresses and calendars are donated to orphanages for reuse, and used chairs are sold to employees at discounted rates for reuse, with the remaining disposed of in municipal landfills.



**Figure 8: Segregation of Hazardous and Non-Hazardous Wastes**

## Water Management & Ecology

Mermaid's commitment to environmental stewardship is evident in its comprehensive water management strategies, aligning with MARPOL regulations. The company implements advanced practices in treating and utilizing water resources to reduce ecological impact. This includes equipping its fleet with water treatment systems specifically for ballast water. Some of its ships even feature closed-loop systems to further mitigate environmental effects.

In addition to its maritime operations, Mermaid also focuses on sustainable water usage in its onshore facilities, which include offices, warehouses, and workshops in various countries. These onshore operations rely on purchased water sources and maintain backup supplies for critical activities, such as diving training.

Although Mermaid's offices currently do not have water recycling systems, the company is actively exploring options to enhance water sustainability in these locations. It's important to note that the focus here is on managing tap water usage, rather than drinking water.



**Figure 9: Water Bottle Recycling Initiative**

The company's water and waste management practices extend to the treatment of ballast waters and the incineration of certain non-hazardous wastes aboard their ships, using onboard incinerators designed to minimize harm to marine ecosystems. Furthermore, Mermaid Maritime Group participates in environmental conservation efforts, such as a volunteer program led by TTA for sea turtle breeding, showcasing its dedication to preserving ecology of marine life.



Figure 10: Tree Plantation Initiative



Figure 11: Sea Turtle Breeding Initiative with TTA Plantation Initiative



**SOCIAL**

## Gender Diversity

The 500 full time and temporary employee gender diversity is close to parity at 51% male to 49% female employee. This is spot on the target they have set for equal numbers of male to female gender diversity. However, this is likely to change as they have acquired a sizable new contract with an Oil Major that will require a substantial increase in experienced technical workforce of divers and marine crew. This is largely a male dominated field of expertise. Hence their current new hire ratio of 58% male to 42% female is expected to be more pronounced in favour of male employees. Their new target for 2024 and during the contract duration for new hires will be 70% male and 30% female employees.

Gender Diversity	2019	2020	2021	2022	2023	Target
<b>Current Employee Gender Diversity (%): GRI 405-1</b>						
Male	46	43	59	59	51	50
Female	54	57	41	41	49	
<b>New Hire Employee Gender Diversity (%): GRI 401-1</b>						
Male	46	62	88	86	58	Male: 70, Female: 30
Female	54	38	12	14	42	
<b>Employee Turnover Gender Diversity (%): GRI 401-1</b>						
Male	50	59	54	83	93	<5%
Female	50	41	46	17	7	
<30 years	22	10	4	4	0	<5%
30-50 years	67	75	85	71	67	
>50 years	11	15	11	25	33	

**Table 5 - Current, New Hire and Turnover of Employees**

Mermaid's turnover rate is well below their target 5% and is dominated by male employee at 93% to female 7%. In 2023 their total turnover rate was 0.83%. Their target for 2024 will remain <5% with no differentiation intended between male and female employees.

## Age-Based Diversity

On age diversity, 72% of current employees are between 30–50-year-old. The <30 and >50 are at 8% and 20%. The need to build bench strength with more new hires <30-year-old and retention programs is recognized for mermaid’s strategy, “strengthening the core” and “positioning for growth”. However, Mermaid has been largely reactive to customer contract awards and managing their workforce on a case-by-case basis. The target is to increase <30 years of age to >10%.

Age-Based Diversity	2019	2020	2021	2022	2023	Target	Standard
<b>Current Employee Age Diversity (Percentage)</b>							<b>GRI 405-1</b>
<30	8	5	4	5	8	<b>&gt;10% for &lt;30 Years of Age</b>	
30-50	78	80	78	74	72		
>50	14	15	18	21	20		
<b>New Hire Employee Age Diversity (Percentage)</b>							<b>GRI 401-1</b>
<30	8	12	6	14	16	<b>&gt;20% for &lt;30 Years of Age</b>	
30-50	78	88	76	57	63		
>50	14	0	18	29	21		
<b>Employee Turnover Age Diversity (Percentage)</b>							<b>GRI 401-1</b>
<30	22	10	4	4	0	<b>&lt;5%</b>	
30-50	67	75	85	71	67		
>50	11	15	11	25	33		

**Table 6 – Current, New Hire and Turnover of Employees**

The new hire and turnover ratios are also concentrated in the 30–50-year-old range at 63% and 67%. The equivalent for <30-year-old are 16% and 0%. And for >50-year-old is 21% and 33%. An opportunity to set some strategic human resource management strategy and tactical planning for long term business sustainability. The target is to increase <30 years of age new hires to >20%. and to maintain overall age-based turnover to <5%.

Currently, Mermaid has a comprehensive compensation and benefits plan for its full time employees comprising of annual medical, insurance and salary programs benchmarked to Hay’s data. They are also beginning to align their temporary employee program for greater equity across their workforce.

Mermaid may consider developing a talent pipeline of hi-potential employees for leadership and technical expertise roles through a deliberate and structured program.

## Occupational Health & Safety

Fatalities (Numbers)	2019	2020	2021	2022	2023	Target	Standard
Employee	0	0	0	0	0	0	GRI 403-9
Contractor	0	0	0	0	0	0	
Workforce	0	0	0	0	0	0	
<b>High Consequence Work Related Injuries (Frequency)</b>							
Employee	0	0	0	0	0	0.65	GRI 403-9
Contractor	0	0	0	0.31	0	0.65	
Workforce	0	0	0	0.31	0	0.65	
<b>Recordable Work-Related Injuries (Frequency)</b>							
Employee	0	0	0	0	0	<2.0	GRI 403-9
Contractor	4.58	1.16	1.68	0.61	0	<2.0	
Workforce	4.58	1.16	1.68	0.61	0	<2.0	
<b>Recordable Work Illness Health (Frequency)</b>							
Employee	0	0	0	0	0	0	GRI 403-9/ IMA/MARPOL
Contractor	0	0	0	0	0	0	
Workforce	0	0	0	0	0	0	

**Table 6 – Occupational Health Safety Data**

Mermaid has a workforce of employees and contractors and an outsourced labor supply that fluctuates with the volume of customer activities. Their fatalities, high consequence work-related injuries and recordable work illness have been at zero to very low the past five years. Hence, their targets set at 0 to 0.65 rate of frequency are realistic. However, their recordable work-related injuries have been fluctuating and their more conservative target of 2.0 is appropriate. Their fatality target and recordable work illness health target remains at zero. For more data refer Appendix 6 – Occupational Safety & Health Safeguards and Internal Statistics.

### **SOME OF THE SUSTAINABLE OSH PROGRAMS THAT CONTRIBUTED TO THE RESULTS:**

- A robust Health, Safety and Health (HSE) management system that covers all aspects of its operations, from planning and design to execution and delivery. Mermaid follows the international standards and best practices for HSE, such as ISO 45001, OHSAS 18001, and ISO 14001.
- A dedicated HSE team that monitors and audits the performance of its projects and contractors, ensuring that risk assessments, bridging documents, medical emergency response plans, and project HSE plans are reviewed and followed by all parties involved. Mermaid also employs HSE field representatives that conduct inspections, track HSE KPIs, report on incidents, and assist in incident investigations.

- Mermaid provides regular training and awareness programs for its employees and contractors on various HSE topics, such as hazard identification, incident reporting, personal protective equipment, emergency preparedness, and environmental protection. Mermaid also encourages its staff to participate in HSE campaigns and initiatives, such as safety days, toolbox talks, and safety awards.
- Mermaid strives to continuously improve its HSE performance and learn from its experiences. Mermaid conducts regular reviews and analyses of its HSE data and trends, identifies areas of improvement, and implements corrective and preventive actions. Mermaid also benchmarks its HSE performance against its peers and industry standards and seeks feedback from its clients and stakeholders.



**Figure 12: Safety Drill for Marine Team**

## Labor Practices

Mermaid Subsea Services (MSS) is committed to fostering positive industrial relations within its business operations. This commitment is demonstrated through the development and implementation of robust programs and procedures that align with the labor laws of the countries in which they operate and meet the standards set by relevant industrial relations authorities. As a responsible employer, Mermaid diligently complies with local industrial relations rulings and emphasizes a strategy that involves collaborative engagement with labor organizations, ensuring mutual benefits for all employees. The strategy also encompasses ongoing internal and external consultations, transparent communication regarding industrial relations matters, and external mediation for any unresolved disputes.

The Human Resources Manager at Mermaid is charged with the responsibility of creating and maintaining these systems and procedures, ensuring they are in harmony with both Mermaid's corporate policies and the needs of their clients. Additionally, Mermaid acknowledges and rewards exceptional contributions to sustainability through its annual Sustainability Excellence Award, presenting a USD 1,000 prize to the team that exemplifies outstanding performance in this area.



Figure 13: Sustainability Excellence Award

## Human Rights and Community Relations

As part of its Corporate Social Responsibility (CSR) initiatives, Mermaid Maritime Services donates all used bunker beds to local orphanages. Additionally, the company actively participates in tree planting activities, further demonstrating its commitment to environmental stewardship and community engagement. This is done in collaboration with TTA, its main shareholder and there are intentions to accredit these efforts for carbon offset in the future.



Figure 14.a : Donation of Bunker Beds / CSR Activity

As part of CSR, TTA/MSS donated 1 Million Thai Baht to the Siriraj Foundation, celebrating the 30th anniversary of Exim Bank and demonstrating their commitment to supporting Siriraj Hospital’s goals.



Figure 14.b : TTA/MSS Leadership Social Activity

## Anti-Slavery and Human Trafficking

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- Mermaid enforces a zero-tolerance policy towards modern slavery and human trafficking, ensuring business transparency in compliance with the Modern Slavery Act 2015.
- They are committed to ethical conduct and integrity in all their dealings, with effective systems in place to prevent modern slavery in operations and supply chains.
- Mermaid's executives bear the responsibility for the policy's compliance with legal and ethical standards.
- The policy extends to all Mermaid personnel, including employees, contractors, and visitors, emphasizing prompt, confidential, and impartial handling of complaints, and safeguarding against disadvantages in employment for those reporting slavery or trafficking issues.
- Any breach of this policy may lead to disciplinary action, including dismissal or termination of business relationships, as they strive to maintain a workplace free from slavery and human trafficking.

## Data Security

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- Mermaid is actively enhancing its data security measures, targeting ISO 27001 certification by the third quarter of 2024, a significant step in establishing a comprehensive information security management system.
- To support data security, the company utilizes Microsoft OneDrive for secure data storage and sharing.
- Additionally, Mermaid employs Sophos for malware protection, safeguarding both company and employee data against cyber threats.
- The company also implements controlled information flow within the organization by establishing different levels of access, ensuring that sensitive information is only accessible to authorized personnel.
- This multi-faceted approach to data security demonstrates Mermaid's commitment to protecting its digital assets and maintaining high standards of information security.

## Product Quality

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- Mermaid aims to satisfy client needs efficiently and cost-effectively, aligning with the industry's focus on product safety, quality, and fitness for purpose.
- The company is committed to meeting client expectations consistently and to providing high-quality contract performance, servicing, and environmental protection.
- The management system ensures compliance with both regulatory and client requirements.
- Mermaid's quality objectives include customer satisfaction through timely and effective resolution of feedback, complaints, and audit findings, on-time project delivery, accurate work and data production, and continuous development and implementation of a quality management system.
- Achieving these objectives requires the cooperation and commitment of all employees, with senior management providing necessary resources.
- Each Mermaid manager is tasked with monitoring and tracking the management system's effective implementation and ongoing relevance.





# GOVERNANCE

## Governance

Mermaid has 7 directors of whom 3 are independent and none are female. There is an opportunity to add a female director, given one of the 7 directors has served his 9-year term, as per SGX requirement. Mermaid is evaluating candidates and given the limited number of female candidates with relevant understanding of Mermaid's offshore, transportation and installation business there is pending request to extend the tenure of the 9-year serving director for another year. The objective for 2024 is to maintain a board consisting of 7 directors, with 3 of them designated as independent directors. The Mermaid hiring team guarantees the appointment of a qualified female independent director by no later than 2026.

Board of Directors	2019	2020	2021	2022	2023	Target	Standards
<b>Independent and Female Board Directors (Number)</b>							
<b>Total</b>	7	7	7	7	7	7	<b>GRI-2-9</b>
<b>Independent</b>	3	3	3	3	3	3	
<b>Female</b>	0	0	0	0	0	0	
<b>Women in senior management (Number)</b>							
<b>Total</b>	4	7	8	8	9	8	<b>GRI 2-9</b>
<b>Female (Executive Members)</b>	1	1	1	2	2	3	

**Table 7 – Board Independency and Female Participation**

An extended review of the board independency is provided in Mermaid's response to the queries from the Securities Investors Association Singapore (SIAS). An extract of the relevant session is provided in Appendix 7 – Response to SIAS' Queries.

Consider evaluating female candidates with relevant offshore, transportation, and installation industry knowledge for potential senior management role.

## Ethical Behaviours

There were no anti-corruption disclosures the last five years at Mermaid. In relation, there are three relevant policies: Policy on Code of Business Conduct; Policy on anti-bribery and corruption; and on whistle blowing. Some of these policies are recent and in the process of rollout. Hence only 5% of the employees are trained. The target is to have 50% of the employees trained in 2024, given apportion of the workforce is often out at sea and online connection are unreliable in some of their operational geographies.

<b>Ethical</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Target</b>	<b>Standards</b>
<b>Anti-Corruption Disclosures (Numbers)</b>							
<b>Discussions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>GRI 205-1/2/3</b>
<b>Standards</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
<b>Anti-corruption Training (Percentage)</b>							
<b>Employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>50</b>	<b>GRI 205-2</b>

**Table 8 – Anti-Corruption Disclosures**

Quarterly attestation of compliance to policies and regulations are provided by department heads. In addition, compliance reviews are conducted during audit committee and provided to main shareholder, TTA.

## Legal and Regulatory Environment

Mermaid has no legal or regulatory non-compliance in the businesses and geographies they operated for the last five years. This is due to their proactive use of external counsel in the respective localities to understand legal requirements and emerging laws. Legal registers are maintained in the countries they operate and where applicable interpretation of the law is provided by local counsel.

Legal	2019	2020	2021	2022	2023	Target	Standards
<b>Management of Legal &amp; Regulatory Environment (Numbers)</b>							
<b>Fines</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil</b>
<b>Summons</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Warning Notice</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Table 9 – Legal Summons/Fines**

In addition, a government relations officer is appointed for all major countries to ensure Mermaid stays ahead and in full compliance to the legal and regulatory requirements. The target for Fines, Summons and Warning Notices remains zero.



# **TASK FORCE ON CLIMATE- RELATED FINANCIAL DISCLOSURES**



## Governance

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- Mermaid's governance structure demonstrates a commitment to addressing climate-related risks and opportunities.
- The board of directors at Mermaid exercise oversight through quarterly and ad-hoc meetings, totalling seven meetings in the previous year.
- There is room for improvement with including sustainability as a standing agenda in Mermaid's board and executive committee meetings.
- Regardless, the board and management jointly attempt to provide direction to the sustainability project teams and expect progress in sustainability, including reduced fuel and energy usage, enhanced safety measures, and the implementation of solar panels.
- An area of improvement would be to include sustainability as a topic in Mermaid's fiscal year strategy and planning meetings.
- The upcoming board meetings present an opportunity to showcase sustainability initiatives and discuss these matters.
- In addition, Mermaid may consider having a sustainability organizational structure that includes clear terms of reference, timebound participation in a cross functional sustainability team, a RASCI of roles and responsibilities with the Executive Team as the Steering Committee and the Board providing independent verification.

## Strategy

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- Mermaid identifies short, medium, and long-term climate-related risks and opportunities.
- In the short term, waste disposal costs are expected to rise at Mermaid Maritime, prompting a focus on reducing waste from ships.
- Medium-term opportunities include the utilization of renewable energy, exemplified by the solar panel project.
- Long-term risks involve worker safety, diving and the exploration of new technologies, particularly in diving, and addressing environmental impacts associated with reduced fuel carbon emissions.
- The organization recognizes the need for scenario analysis, considering the impacts of a 1.5 to 2-degree Celsius temperature increase on the business and industry.
- Mermaid in collaboration with TTA is planning to use carbon offsets in the future as they continue their carbon reduction initiatives.

## Risk Management

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- Mermaid’s enterprise risk management process is extensive but lacks sustainability risks identification.
- This time the sustainability team determined material topics and escalated for Executive Committee endorsement.
- Mermaid may want to consider an integrated risk management process that includes sustainability risks, controls, and mitigations for systematic management of sustainability programs and timely follow-up and continuous improvement.

## Measures and Targets

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- The metrics and targets employed by Mermaid aligns with its strategy and risk management processes.
- Greenhouse gas (GHG) intensity and energy management intensity, both measured per unit of revenue, serve as key metrics.
- The scope of GHG emissions is divided into Scope 1, fuel usage and Scope 2, electricity/solar usage.
- Scope 3 emissions are not included in the current reporting year but are earmarked for future improvement.
- The organization has set carbon emission reduction target of 5% for next year.
- A full list of targets and measures for all ESG are provided in Appendix 8 – Metrics and Targets.

## Climate Related Financial Impact

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- The organization acknowledges the context of climate scenarios, anticipating a temperature increase beyond 2.0 degrees Celsius.
- Regardless, the 2015 Paris Agreement's goal of achieving net zero by 2050, the organization recognizes the current global average temperature increment of 1.1 degrees Celsius since preindustrial times and the future trend.
- Anticipated impact of a temperature increase beyond 2.0 degrees Celsius include sea level rise, heatwaves, droughts, biodiversity loss, and more frequent extreme weather events.
- To address these challenges, the organization aims to reduce carbon emissions by 45% by 2030 and achieve net-zero emissions by 2050.
- This proactive stance reflects a commitment to mitigating climate-related financial impacts and contributing to global sustainability goals.
- In addressing the risks and opportunities for Mermaid, a comprehensive view is essential.
- **Transition risks** like stricter environmental regulations in new geographies could escalate operational costs for Mermaid, particularly with the need for low sulphur bunker fuel or biodiesel. Additionally, emissions mandates might force early retirement of older ships, incurring write-off costs. As Mermaid's clientele includes oil majors, adhering to carbon reduction norms and maybe critical to sustain business relationships.
- **Physical risks** involve navigating extreme weather, like cyclones, potentially increasing fuel usage and maintenance expenses. Worker safety in adverse weather conditions, such as elevated temperatures, is also a concern, necessitating precautionary measures and fatigue management.
- **Resource efficiency** is key, where procedural and hardware adjustments can yield significant fuel savings. Complying with MARPOL for waste disposal also offers cost benefits.
- In **energy sourcing**, Mermaid's adoption of solar panels at Pinthong office exemplifies carbon and cost reduction. Further, energy-efficient practices like energy-efficient inverter technology air conditioners, LED lighting and smart meters could enhance energy savings.
- **Product and service innovations**, aligned with green initiative of tree planting and renewable energy projects, position Mermaid attractively for environmentally conscious clients. Carbon offsetting through tree planting with TTA may create new revenue streams via carbon credits.
- **Market strategies**, such as offering green bonds and securing green loans, align with Mermaid's sustainable approach, potentially reducing financial costs. In addition, Mermaid is exploring providing Transportation and Installation services for a new economy of windfarms, another lucrative and expanding business opportunity.
- Developing robust critical incident business continuity plans and offering carbon emission and footprint data services enhance Mermaid's resilience and client support.

# Conclusion

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Mermaid Maritime Group's sustainability efforts, as detailed in their comprehensive report, underscore a significant commitment to embedding sustainable practices across various facets of its operations. By addressing the critical areas of environmental stewardship, social responsibility, and ethical governance, Mermaid has effectively demonstrated how a company operating within the challenging realms of the oil and gas industry can still make substantial contributions towards sustainability.

## KEY HIGHLIGHTS OF THE SUSTAINABILITY JOURNEY

**Environmental Stewardship:** Mermaid Maritime's initiatives, from implementing GHG and air pollution reduction, adopting renewable energy sources like solar panels and waste management highlight its dedication to minimizing its ecological footprint. The focus on advanced water management systems and enhancing energy efficiency underscores the company's commitment to environmental preservation.

**Social Responsibility:** Through engaging in community-oriented initiatives, such as donating to local orphanages and participating in tree planting activities, Mermaid Maritime has reinforced its commitment to social responsibility. The emphasis on labor practices and fostering a diverse and inclusive workforce further exemplifies the company's dedication to creating a positive social impact.

**Ethical Governance:** Mermaid Maritime's governance structure, characterized by its approach to anti-corruption, legal compliance, and ethical behavior, establishes a strong foundation for responsible business conduct. The company's proactive stance on addressing climate-related risks and opportunities through its governance mechanisms is commendable.

## MOVING FORWARD WITH SUSTAINABILITY AS A CONTINUOUS JOURNEY

Mermaid Maritime recognizes that sustainability is an ongoing journey, requiring continuous improvement and adaptation to meet the evolving demands of the industry and regulatory environment. The company's commitment to innovation, particularly in the development of sustainable products and services, positions it as a forward-thinking leader in the offshore and subsea services industry.

## RECOMMENDATIONS FOR FURTHER SUSTAINABILITY ENHANCEMENT

**Remote Fuel Management System (RFMS):** Develop a RFMS to real-time track marine ships fuel usage, calculate carbon emission and air pollution. Employ processes and system to reduce eCO<sub>2</sub>, and NO<sub>x</sub> and SO<sub>x</sub> pollutant discharge to atmosphere.

**Talent pipeline:** Identify internal talent to groom to leadership and technical position to support Oil & Gas and potential renewable energy customers. This helps motivate high potential employees and reduce fluctuation of experienced hires, subject to new contract award.

**Board Diversity:** Recruit suitable female board member to add greater diversity to independent directorship. Enhances diversity of thinking and experiences to the board of directors and decision making.

Mermaid's sustainability report not only showcases its achievements to date but also sets a clear path for future initiatives aimed at further reducing its environmental impact, enhancing social contributions, and upholding high standards of governance. As Mermaid continues to navigate the complexities of the offshore and subsea services industry, its unwavering commitment to sustainability will undoubtedly play a pivotal role in shaping a more sustainable future for the industry and contributing to global sustainability goals. Mermaid's approach exemplifies how integrating sustainability into core business practices can yield significant benefits, serving as an inspiring model for others in the industry.



# ANNEXURE



I/We agree to the above conditions and the information provided in this document is to be accurate.

.....  
Company Stamp

Documents Required

- Copy of Valid Trade License.
- Copy of Chamber of Commerce / Economic Development Board / Sponsor Passport / Identity Card
- Copy of Document showing authorised signatory.
- Bank Cheque, undated (amount to be decided at the time of signing)

## Appendix 1 – Materiality Table for 2023

No	Category	Source	Reviewed Topics	Material Topics	Score of Importance to Business	Score of Importance to Stakeholders
					(10 is high, 1 is low)	(10 is high, 1 is low)
1	Environment	TCFD+GRI	GHG Emissions	Yes	10	10
2	Environment	TCFD+GRI	Air Quality	Yes	10	10
3	Environment	TCFD+GRI	Energy Consumption	Yes	10	10
4	Environment	TCFD+GRI	Waste Generation	Yes	10	10
5	Environment	TCFD+GRI	Water and Wastewater Management	No	9	9
6	Environment	TCFD+GRI	Ecological Impacts	No	9	9
7	Environment	TCFD+GRI	Climate Transition Risks	No	8	8
8	Environment	TCFD+GRI	Climate Physical Risks	No	8	8
9	Environment	TCFD+GRI	Climate related Opportunities	No	9	9
10	Social	GRI	Gender Diversity	Yes	10	10
11	Social	GRI	Age-Based Diversity	Yes	10	10
12	Social	GRI	Occupational Safety and Health	Yes	10	10
13	Social	GRI	Data Security	No	9	9
14	Social	SASB	Product Quality & Safety	No	9	9
15	Social	GRI	Human Rights & Community Relations	No	8	8
16	Social	GRI	Labour Practices	No	8	8
17	Governance	GRI	Board Composition	Yes	10	10
18	Governance	GRI	Ethics Behaviour	Yes	10	10
19	Governance	GRI	Legal & Regulatory Environment	Yes	10	10
20	Governance	SASB	Critical Incident Risk Management	No	8	8

## Appendix 2 – Sustainability Team

Team	Name	Designation
Mermaid’s Sustainability Team	Mr. Phiboon Buakhunngamcharoen (Sponsor)	Chief Financial Officer
	Mr. Settawut Wutikornvipark	Project Coordinator
	Mr. Sakda Sriwongchai	QHSE Director
	Ms. Warangkana Tewapunkul	Corporate Secretary
Heron Academy Pte Ltd	Mr. Parthi Naidu	Senior Consultant
	Dr. S.David	Consultant

## Appendix 3 – Interviewees for Data and Information

Interviewee	Designation	Date	Topics
Ms. Warangkana Tewapunkul	Corporate Secretary	23-11-2023	Legal Terms
Mr. Settawut Wutikornvipark	Project Coordinator	23-11-2023	Overview
Mr. Sakda Sriwongchai	QHSE Director	28-11-2023	Occupational Safety & Health
Mr. Jorgan Wilhelmus	Fleet Manager	01-12-2023	Marine
Ms. Panin Warinrawat	Compliance Manager	01-12-2023	Compliance
Mr. Phiboon Buakhunngamcharoen	Chief Financial Officer	06-12-2023	Financial Impact
Mr. Pattarapol Wannarat	Deputy Chief Operating Officer	14-12-2023	Strategy
Ms. Thanyada Apichotthanachai	Head of Human Resources	21-12-2023	Diversity
Capt. Jenvit Chaiyarat	Marine Manager	17-12-2023	Marine

## Appendix 4 – Vessel Details

S.No	Vessel Name	Built Year	Purchased Year	Status
1	Mermaid Sapphire	2008	2009	In scope
2	Millennium 3	2011	2021	Out scope - used by JC Partner. Vessel operated through JV.
3	Mermaid Asiana	2010	2010	In scope
4	Mermaid Endurer	2010	2010	In scope
5	Mermaid Commander	1987	2005	Out scope -Layoff vessel not in use in 2023
6	Mermaid Challenger	2008	2008	In scope
7	Mermaid Resiliant	2007	2022	In scope

## Appendix 5 – Offices and Onshore Facilities

S.No	Office/Warehouse Location	Electricity Consumption (Kw/H)
1	KSA Yard	154104
2	Bangkok office	124020
3	Pinthong Office & WH	360852
4	UK Office	43440
5	Qatar Yard	1559401
6	Dubai Office	94596

# Appendix 6 – Occupational Safety & Health Safeguard and Internal Statistics



## MSS Yearly Statistics as of Oct' 23



### MSS Yearly Statistics & Comparison for 2023 (YTD)

Period of Record (year)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Hours Worked (IMCA)	3,023,964	3,238,433	1,776,150	1,711,110	2,185,326	2,368,292	2,004,403	1,327,210	1,479,192
<b>Recordable Case</b>									
Fatalities Case	0	0	0	0	0	0	0	0	0
Lost Time Injuries Case	0	1	0	0	0	0	1	0	0
Medical Treated Injuries Case	0	1	3	2	10	6	5	3	0
Restricted Work Case	0	0	0	0	0	0	0	0	0
<b>Total Recordable Case</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>10</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>0</b>
<b>Reportable Case</b>									
First Aid Injuries Case	10	19	15	22	15	12	0	2	3
Non-Work Related Illness Case	8	12	18	9	12	11	0	0	0
Near Miss Case	9	15	16	6	8	9	9	8	11
DP Breakdown	1	3	4	2	1	4	1	0	n/a
Dropped Object	0	0	0	0	1	1	0	1	n/a
Properties Damage	4	1	0	0	2	0	0	0	2
Equipment Damage	0	3	2	4	1	4	6	4	n/a
Fire Case	0	2	0	0	0	0	0	0	1
Spill Case	1	0	0	0	1	0	0	0	0
<b>Total Reportable Case</b>	<b>33</b>	<b>55</b>	<b>55</b>	<b>43</b>	<b>41</b>	<b>41</b>	<b>16</b>	<b>15</b>	<b>17</b>
LTIFR (IMCA) - Lost Time Injury (IMCA Offshore)	0.00	0.31 (TBA)	0.00 (0.49)	0.00 (0.50)	0.00 (0.53)	0.00 (0.48)	0.50 (0.48)	0.00 (0.52)	0.00 (0.61)
TRIFR (IMCA) - Total Recordable Injury (IMCA Offshore)	0.00	0.62 (TBA)	1.69 (2.02)	1.17 (1.71)	5.03 (1.69)	2.53 (1.60)	2.99 (1.90)	2.26 (2.34)	0.00 (2.51)

Example of onsite HSE activities that leverage best practices from previous projects adds-on to Project HSE Plan. Applied to ongoing project in HESS/Kris Energy/ PTTEP projects; onsite V&V, TBT, DEBRIEF, and Emergency Drills with Clients and business partners.



Highlight of MSS Safety Activities; TBT, Safety Meeting, Hazard Hunts, onsite engagement



## Appendix 7 – Response to SIAS’ Queries



### MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 010755000017)

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Tel.: +66 (0) 2-255-3115-6; Fax: +66 (0) 2-255-1079

### COMPANY’S RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Q3. As noted in the corporate governance report, the company is committed to continually enhance shareholder value by maintaining high standards of corporate governance, among others.

However, the board has made references to deviations from “guidelines” of the Code of Corporate Governance 2018 (Code) although the Code now sets out core broad principles which are supported by accompanying provisions.



(Source: company annual report)

- (i) Can the board, especially the independent directors, help shareholders better understand their level of familiarity with the Code, Listing rules and other relevant guidelines and regulations?

#### Company’s Response

The board, including the independent directors are regularly informed on, and is aware of, the key principles of the Code, the Listing rules, and other relevant guidelines. Since December 2022, the Board has appointed (on an annual retainer basis) a major corporate service firm associated with a top Singapore law firm for the provision of updates where there are changes in the SGX Listing Rules and to provide guidance on any such changes. It is believed that the retainer will supplement the board’s endeavours to become more familiar with the Code, the Listing rules and other relevant guidelines and regulations. Further, the board, by way of its Company Secretary, maintains a strong relationship with one of the “Big-Four” law firms in Singapore to advise on Singapore law and SGX compliance matters. These continuing relationships and engagements allow the board to become familiar with the Code, Listing rules and other relevant guidelines and regulations. In the event of any questions or uncertainty, the board always has access to compliance counsels from a top law firm and/or a major corporate services firm in Singapore.

## Appendix 8 – Metrics and Targets

S.No	Material Topics	2023 Benchmark	Targets Set	Actions	Standards Followed
1	GHG Emissions	eCO2 intensity = 129 tons/USD	eCO2 intensity = 123 tons/USD	<ul style="list-style-type: none"> <li>Upgrade ships with biodiesel engines and hybrid batteries.</li> <li>Improve hardware for better efficiency &amp; add propulsion to reduce fuel use.</li> <li>Consider implementation of AI enabled Remote Fuel Monitoring with Smart Meters for optimization.</li> </ul>	GRI 305-1a / TCFD
2	Air Quality	NOx intensity = 1.91 tons/USD SOx intensity = 4.27 tons/USD	NOx intensity = 1.82 tons/USD SOx intensity = 4.05 tons/USD	<ul style="list-style-type: none"> <li>Same as above</li> <li>Consider installing scrubbers and sensors in exhaust stacks to further decrease air pollution.</li> </ul>	GRI 305-1a / TCFD
3	Energy Consumption	eCO2 Intensity = 1.64 tons/USD	eCO2 intensity = 156 tons/USD	<ul style="list-style-type: none"> <li>Consider installation of additional solar panels to increase use of renewable and reduce reliance on purchased electricity.</li> <li>Consider installing energy-efficient inverter technology air conditioners.</li> <li>Consider installing automatic on/off LED lighting systems and solar-powered streetlights in parking areas.</li> </ul>	GRI 305-2a / TCFD
4	Waste Generation	728 tons	Nil	<ul style="list-style-type: none"> <li>Nil</li> </ul>	TCFD
5	Gender Diversity (Male / Female)	51% / 49% (Current Employee) 58% / 42% (New Hires)	50% / 50% (Current Employee) 70% / 30% (New Hires)	<ul style="list-style-type: none"> <li>Align temporary employee program of compensation and benefits for greater equity across workforce.</li> </ul>	GRI 405-1
6	Age Diversity (<30 Years, <30 Years to >50 Years, >50 Years)	8% / 72% / 20% (Current Employee) 16% / 63% / 21% (New Hires)	>10% for <30 Years Old (Current Employee) <20% for <30 Years Old (New Hires)	<ul style="list-style-type: none"> <li>Consider establishing a structured talent development program for high-potential employees targeting leadership and technical expertise positions.</li> </ul>	GRI 405-1

S.No	Material Topics	2023 Benchmark	Targets Set	Actions	Standards Followed
7	Occupational Safety and Health Fatalities / High Consequence Work Related Injuries / Recordable Work-Related Injuries / Recordable Work Illness Health	0	0 / 0.65 / <2 / 0	<ul style="list-style-type: none"> <li>Sustain the robust HSE management system following international standards like ISO 45001 and ISO 14001.</li> <li>Maintain a dedicated HSE team for monitoring, auditing, and ensuring compliance with safety protocols, including risk assessments and emergency response plans.</li> <li>Provide training and awareness programs on various HSE topics to employees and contractors, promoting a proactive safety culture.</li> </ul>	GRI 403-9 / IMA / MARPOL
8	Board Total / Independent / Female Total / Female	7 / 3 / 0 (Independent and Female) 9 / 1 (Total and Female)	7 / 2 / 1 (Independent and Female) 9 / 1 (Total and Female)	<ul style="list-style-type: none"> <li>Consider including a female director to the board of directors.</li> <li>Consider evaluating female candidates with relevant offshore, transportation, and installation industry knowledge for potential senior management role.</li> </ul>	GRI
9	Ethical Behaviours (Numbers) / (Percentage)	0 / 3 (Anti-Corruption Disclosures) 5% (Anti-corruption Training)	0 / 0 (Anti-Corruption Disclosures) 50% (Anti-corruption Training)	<ul style="list-style-type: none"> <li>Ensure department heads' attest compliance to policies and regulations.</li> <li>Increase employee training on anti-corruption.</li> </ul>	GRI
10	Management (Fines / Summons / Warning Notices)	0 / 0 / 0	0 / 0 / 0	<ul style="list-style-type: none"> <li>Engage proactively with external local counsel for legal understanding and emerging law awareness and maintaining legal registers with local law interpretations.</li> <li>Appoint government relations officers in major countries to ensure full legal and regulatory compliance.</li> </ul>	GRI

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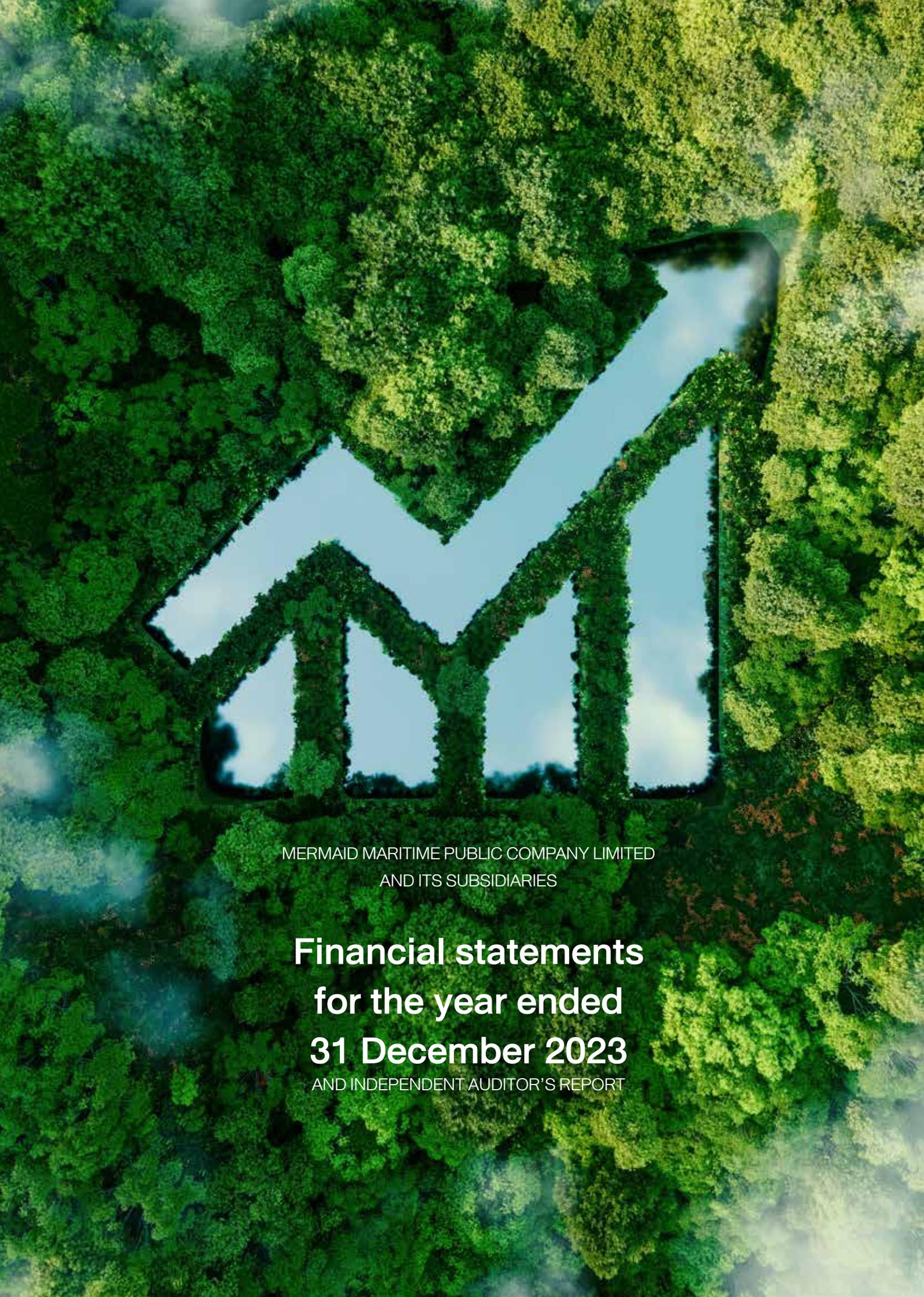
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MERMAID MARITIME PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES

**Financial statements**  
**for the year ended**  
**31 December 2023**  
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 2023, 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 2023 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 including Independence Standards* issued by the Federation of Accounting Professions (“Code of Ethics for Professional Accountants”) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 and investments in subsidiaries	
Refer to Notes 8 and 10 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group had several cash-generating units (“CGUs”) which generated losses from operations during the year, which management considered to be an indicator of impairment of those CGUs’ property, plant and equipment, and the Company’s investments in those subsidiaries containing those CGUs as at 31 December 2023.</p> <p>Therefore, management estimated the recoverable amounts of those CGUs’ property, plant and equipment by using the higher of the property, plant and equipment’s estimated value-in-use and fair value less costs to sell. For the recoverable amounts of those investments in subsidiaries, management estimated their enterprise values.</p> <p>Management used the discounted cash flow forecast (“DCF”) method to estimate value-in-use and enterprise value. In using the DCF method, there are key assumptions used to estimate future cash flows, which contain 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"> <li>• making inquiries of management and obtaining related documents to understand the process by which management has derived its value-in-use and enterprise value estimates;</li> <li>• comparing forecast revenues to those achieved in prior periods;</li> <li>• evaluating the DCF methodology and key assumptions applied in the DCF model;</li> <li>• performing sensitivity tests by varying key assumptions;</li> <li>• assessing the competency and independence of management’s fair value less costs to sell valuation expert;</li> <li>• using the work of external experts engaged by KPMG in evaluating methodologies and key assumptions used in assessing the fair value of assets; and</li> <li>• considering the adequacy of the Group’s disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

Measurement of expected credit losses on amount due from related parties and loans to related parties	
Refer to Notes 3 and 18 to the separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Company measured expected credit losses on amount due from related parties and loans to related parties 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 a significant impact to the separate financial statements.</p> <p>I identified the measurement of expected credit losses as a key audit matter because amount due from related parties and loans to related parties are material to the Company and the recognition of expected credit loss requires the exercise of significant management judgement.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable;</li> <li>• testing the calculation of expected credit losses on amount due from related parties and loans to related parties and evaluating the accuracy of their balances; and</li> <li>• considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>



### *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, actions taken to eliminate threats or safeguards applied.

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 Sukcharoenyingyong', is written over a horizontal line.

(Siripen Sukcharoenyingyong)  
Certified Public Accountant  
Registration No. 3636

KPMG Phoomchai Audit Ltd.  
Bangkok  
29 February 2024

## Statement of Financial Position

Mermaid Maritime Public Company Limited and Its Subsidiaries

Assets	Note	Consolidated financial statements			
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Current assets</b>					
Cash and cash equivalents	4, 18	30,317	7,801	1,037,548	269,621
Trade and other accounts receivable	3, 6, 18	110,597	63,931	3,784,995	2,209,609
Short-term loans to related parties	3, 18	3,250	1,250	111,226	43,203
Supplies and spare parts		944	948	32,307	32,765
Non-current assets classified as held for sale	10	752	-	25,736	-
<b>Total current assets</b>		<b>145,860</b>	<b>73,930</b>	<b>4,991,812</b>	<b>2,555,198</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution	5	15,020	8,405	514,034	290,497
Investment in associate	7	22,362	22,381	765,301	773,541
Investment in joint ventures	7	6,259	6,119	214,204	211,487
Other non-current receivable to joint venture	3	16,000	16,000	547,573	552,998
Investment properties	9	362	406	12,389	14,032
Property, plant and equipment	10	129,406	134,195	4,428,700	4,638,101
Right-of-use assets	11	20,536	29,355	702,810	1,014,579
Intangible assets		35	-	1,198	-
Deferred tax assets	16	655	616	22,416	21,290
Other non-current assets		84	84	2,875	2,903
<b>Total non-current assets</b>		<b>210,719</b>	<b>217,561</b>	<b>7,211,500</b>	<b>7,519,428</b>
<b>Total assets</b>		<b>356,579</b>	<b>291,491</b>	<b>12,203,312</b>	<b>10,074,626</b>

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	Consolidated financial statements			
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Current liabilities</b>					
Trade and other accounts payable	3	77,797	54,178	2,662,469	1,872,521
Short-term borrowing from parent company	3, 12, 18	11,500	4,000	393,568	138,250
Short-term borrowing from financial institution	18	3,064	-	104,860	-
Current portion of long-term borrowing from parent company	3, 12, 18	17,500	5,000	598,908	172,812
Current portion of long-term borrowings from financial institution	12, 18	17,429	14,209	596,478	491,097
Current portion of lease liabilities	12	9,211	8,683	315,231	300,105
Current income tax payable		2,095	2,238	71,698	77,351
<b>Total current liabilities</b>		<b>138,596</b>	<b>88,308</b>	<b>4,743,212</b>	<b>3,052,136</b>
<b>Non-current liabilities</b>					
Long-term borrowing from parent company	3, 12, 18	25,000	-	855,583	-
Long-term borrowings from financial institution	12, 18	6,767	18,275	231,589	631,628
Lease liabilities	12	12,353	21,129	422,760	730,269
Deferred tax liabilities	16	1	19	34	657
Non-current provisions for employee benefits	13	3,259	2,820	111,534	97,466
<b>Total non-current liabilities</b>		<b>47,380</b>	<b>42,243</b>	<b>1,621,500</b>	<b>1,460,020</b>
<b>Total liabilities</b>		<b>185,976</b>	<b>130,551</b>	<b>6,364,712</b>	<b>4,512,156</b>

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	Consolidated financial statements			
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Equity</b>				
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	343,536	343,536	12,271,678	12,271,678
Deficit	(217,180)	(226,772)	(8,709,056)	(9,052,401)
Other components of equity	(3,392)	(3,392)	855,528	925,253
<b>Equity attributable to owners of the parent</b>	<b>170,286</b>	<b>160,694</b>	<b>5,831,479</b>	<b>5,557,859</b>
Non-controlling interests	317	246	7,121	4,611
<b>Total equity</b>	<b>170,603</b>	<b>160,940</b>	<b>5,838,600</b>	<b>5,562,470</b>
<b>Total liabilities and equity</b>	<b>356,579</b>	<b>291,491</b>	<b>12,203,312</b>	<b>10,074,626</b>

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	
		2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Current assets</b>					
Cash and cash equivalents	4, 18	2,670	105	91,376	3,629
Other accounts receivable	3, 18	846	511	28,953	17,661
Short-term loan to related parties	3, 18	7,450	1,250	254,964	43,203
<b>Total current assets</b>		<b>10,966</b>	<b>1,866</b>	<b>375,293</b>	<b>64,493</b>
<b>Non-current assets</b>					
Investment in associate	7	22,507	22,507	770,264	777,896
Investment in joint venture	7	213	213	7,290	7,362
Investment in subsidiaries	8	55,370	55,370	1,894,944	1,913,720
Other non-current receivable to related party	3, 18	45,332	27,474	1,551,411	949,567
Long-term loan to related party	3, 18	46,510	30,632	1,591,726	1,058,715
Investment properties	9	1,177	1,336	40,281	46,175
Property, plant and equipment	10	133	100	4,552	3,456
Right-of-use assets	11	449	264	15,366	9,124
Intangible assets		19	-	650	-
Deferred tax assets	16	71	59	2,430	2,039
Other non-current assets		48	48	1,643	1,659
<b>Total non-current assets</b>		<b>171,829</b>	<b>138,003</b>	<b>5,880,557</b>	<b>4,769,713</b>
<b>Total assets</b>		<b>182,795</b>	<b>139,869</b>	<b>6,255,850</b>	<b>4,834,206</b>

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	
		2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Current liabilities</b>					
Other accounts payable	3	1,620	706	55,442	24,401
Short-term borrowing from parent company	3, 12	11,500	4,000	393,568	138,250
Current portion of long-term borrowing from parent company	3, 12	17,500	5,000	598,908	172,812
Current portion of lease liabilities	12	33	106	1,129	3,664
<b>Total current liabilities</b>		<b>30,653</b>	<b>9,812</b>	<b>1,049,047</b>	<b>339,127</b>
<b>Non-current liabilities</b>					
Long-term borrowing from parent company	3, 12	25,000	-	855,583	-
Lease liabilities	12	406	139	13,895	4,804
Non-current provisions for employee benefits	13	403	358	13,792	12,373
<b>Total non-current liabilities</b>		<b>25,809</b>	<b>497</b>	<b>883,270</b>	<b>17,177</b>
<b>Total liabilities</b>		<b>56,462</b>	<b>10,309</b>	<b>1,932,317</b>	<b>356,304</b>
<b>Equity</b>					
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		343,536	343,536	12,271,678	12,271,678
Deficit		(264,553)	(261,326)	(9,750,376)	(9,641,448)
Other components of equity		28	28	388,902	434,343
<b>Total equity</b>		<b>126,333</b>	<b>129,560</b>	<b>4,323,533</b>	<b>4,477,902</b>
<b>Total liabilities and equity</b>		<b>182,795</b>	<b>139,869</b>	<b>6,255,850</b>	<b>4,834,206</b>

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	
		2023	2022	2023	2022
		(in thousand US Dollar)		(in thousand Baht)	
<b>Income</b>					
Revenue from rendering of services	3, 14	275,402	223,935	9,628,569	7,905,754
Interest income		187	126	6,539	4,571
Other income	3	2,004	1,247	69,695	43,982
<b>Total income</b>		<b>277,593</b>	<b>225,308</b>	<b>9,704,803</b>	<b>7,954,307</b>
<b>Expenses</b>					
Costs of rendering of services	3, 15	242,736	206,480	8,481,250	7,266,036
Administrative expenses	3, 15	20,994	15,452	730,661	540,958
Net loss on foreign exchange		903	1,033	32,321	37,440
Finance costs	3	5,643	3,317	196,679	118,177
<b>Total expenses</b>		<b>270,276</b>	<b>226,282</b>	<b>9,440,911</b>	<b>7,962,611</b>
Share of profit of joint ventures and associates accounted for using equity method	7	3,867	2,897	135,876	100,145
<b>Profit before income tax expense</b>		<b>11,184</b>	<b>1,923</b>	<b>399,768</b>	<b>91,841</b>
Tax expense	16	1,520	1,585	53,878	57,685
<b>Profit for the year</b>		<b>9,664</b>	<b>338</b>	<b>345,890</b>	<b>34,156</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Translation adjustments		-	-	(69,725)	161,224
<i>Items that will not be reclassified to profit or loss</i>					
Loss on remeasurements of defined benefit plans	13	(1)	(73)	(35)	(2,656)
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(1)</b>	<b>(73)</b>	<b>(69,760)</b>	<b>158,568</b>
<b>Total comprehensive income for the year</b>		<b>9,663</b>	<b>265</b>	<b>276,130</b>	<b>192,724</b>

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

## Statement of comprehensive income

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Note	2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Profit (loss) attributable to:</b>					
Owners of parent		9,593	(195)	343,380	14,761
Non-controlling interests		71	533	2,510	19,395
		<b>9,664</b>	<b>338</b>	<b>345,890</b>	<b>34,156</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of parent		9,592	(267)	273,620	173,365
Non-controlling interests		71	532	2,510	19,359
		<b>9,663</b>	<b>265</b>	<b>276,130</b>	<b>192,724</b>
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings (losses) per share	17	<b>0.0068</b>	<b>(0.0001)</b>	<b>0.2430</b>	<b>0.0104</b>

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	
		2023	2022	2023	2022
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Income</b>					
Management fee income	3	403	420	14,025	14,727
Interest income	3	1,013	895	35,365	31,366
Net gain on foreign exchange		842	-	33,213	-
Other income	3	361	343	12,545	12,047
<b>Total income</b>		<b>2,619</b>	<b>1,658</b>	<b>95,148</b>	<b>58,140</b>
<b>Expenses</b>					
Administrative expenses	3, 15	4,036	3,231	140,618	112,690
Net loss on foreign exchange		-	2,116	-	71,113
Finance costs	3	1,822	383	63,892	13,449
<b>Total expenses</b>		<b>5,858</b>	<b>5,730</b>	<b>204,510</b>	<b>197,252</b>
<b>Loss before income tax expense</b>		<b>(3,239)</b>	<b>(4,072)</b>	<b>(109,362)</b>	<b>(139,112)</b>
Tax income	16	(12)	(2)	(434)	(73)
<b>Loss for the year</b>		<b>(3,227)</b>	<b>(4,070)</b>	<b>(108,928)</b>	<b>(139,039)</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Translation adjustments		-	-	(45,441)	151,037
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>(45,441)</b>	<b>151,037</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(3,227)</b>	<b>(4,070)</b>	<b>(154,369)</b>	<b>11,998</b>
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic losses per share	17	(0.0023)	(0.0029)	(0.0771)	(0.0984)

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							Total equity
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Other components of equity			Equity attributable to owners of parent	
				Translation of financial statements	Share-based payment interests	Changes in ownership interests		
<i>(in thousand US Dollar)</i>								
<b>Year ended 31 December 2022</b>								
<b>Balance at 1 January 2022</b>	47,322	343,536	(226,505)	-	28	(3,420)	(3,392)	160,961
<b>Comprehensive income (expense) for the year</b>								
Profit or loss	-	-	(195)	-	-	-	-	(195)
Other comprehensive income	-	-	(72)	-	-	-	-	(72)
<b>Total comprehensive income (expense) for the year</b>	-	-	(267)	-	-	-	-	(267)
<b>Balance at 31 December 2022</b>	47,322	343,536	(226,772)	-	28	(3,420)	(3,392)	160,694
<b>Year ended 31 December 2023</b>								
<b>Balance at 1 January 2023</b>	47,322	343,536	(226,772)	-	28	(3,420)	(3,392)	160,694
<b>Comprehensive income (expense) for the year</b>								
Profit	-	-	9,593	-	-	-	-	9,593
Other comprehensive income	-	-	(1)	-	-	-	-	(1)
<b>Total comprehensive income for the year</b>	-	-	9,592	-	-	-	-	9,592
<b>Balance at 31 December 2023</b>	47,322	343,536	(217,180)	-	28	(3,420)	(3,392)	170,286

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									
	Other components of equity									
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/(Deficit)	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
<i>(in thousand Baht)</i>										
<b>Year ended 31 December 2022</b>										
Balance at 1 January 2022	1,413,329	12,271,678	(9,064,542)	884,318	874	(121,163)	764,029	5,384,494	(14,748)	5,369,746
Comprehensive income (expense) for the year										
Profit	-	-	14,761	-	-	-	-	14,761	19,395	34,156
Other comprehensive income	-	-	(2,620)	161,224	-	-	161,224	158,604	(36)	158,568
<b>Total comprehensive income (expense) for the year</b>										
Balance at 31 December 2022	1,413,329	12,271,678	(9,052,401)	1,045,542	874	(121,163)	925,253	5,557,859	4,611	5,562,470
<b>Year ended 31 December 2023</b>										
Balance at 1 January 2023	1,413,329	12,271,678	(9,052,401)	1,045,542	874	(121,163)	925,253	5,557,859	4,611	5,562,470
Comprehensive income (expense) for the year										
Profit	-	-	343,380	-	-	-	-	343,380	2,510	345,890
Other comprehensive income (expense)	-	-	(35)	(69,725)	-	-	(69,725)	(69,760)	-	(69,760)
<b>Total comprehensive income (expense) for the year</b>										
Balance at 31 December 2023	1,413,329	12,271,678	(8,709,056)	975,817	874	(121,163)	855,528	5,831,479	7,121	5,838,600

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				Total equity
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Other components of equity	
<b>Year ended 31 December 2022</b>					
Balance at 1 January 2022	47,322	343,536	(257,256)	28	133,630
Comprehensive expense for the year					
Loss	-	-	(4,070)	-	(4,070)
Total comprehensive expense for the year	-	-	(4,070)	-	(4,070)
Balance at 31 December 2022	47,322	343,536	(261,326)	28	129,560
<b>Year ended 31 December 2023</b>					
Balance at 1 January 2023	47,322	343,536	(261,326)	28	129,560
Comprehensive expense for the year					
Loss	-	-	(3,227)	-	(3,227)
Total comprehensive expense for the year	-	-	(3,227)	-	(3,227)
Balance at 31 December 2023	47,322	343,536	(264,553)	28	126,333

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						Total equity
	Other components of equity						
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Translation of financial statements <i>(in thousand Baht)</i>	Share-based payment	Total other components of equity	
<b>Year ended 31 December 2022</b>							
Balance at 1 January 2022	1,413,329	12,271,678	(9,502,409)	282,432	874	283,306	4,465,904
Comprehensive income (expense) for the year							
Loss	-	-	(139,039)	-	-	-	(139,039)
Other comprehensive income	-	-	-	151,037	-	151,037	151,037
Total comprehensive income (expense) for the year	-	-	(139,039)	151,037	-	151,037	11,998
Balance at 31 December 2022	1,413,329	12,271,678	(9,641,448)	433,469	874	434,343	4,477,902
<b>Year ended 31 December 2023</b>							
Balance at 1 January 2023	1,413,329	12,271,678	(9,641,448)	433,469	874	434,343	4,477,902
Comprehensive expense for the year							
Loss	-	-	(108,928)	-	-	-	(108,928)
Other comprehensive expense	-	-	-	(45,441)	-	(45,441)	(45,441)
Total comprehensive expense for the year	-	-	(108,928)	(45,441)	-	(45,441)	(154,369)
Balance at 31 December 2023	1,413,329	12,271,678	(9,750,376)	388,028	874	388,902	4,323,533

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	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Cash flows from operating activities</b>				
Profit for the year	9,664	338	345,890	34,156
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	1,520	1,585	53,878	57,685
Finance costs	5,643	3,317	196,679	118,177
Depreciation	25,041	18,726	871,746	663,401
Amortisation	12	-	418	-
Unrealised (gain) loss on exchange	394	(812)	16,348	(24,153)
Gain from sale of trading securities	-	(2)	-	(73)
Gain from sale of investment in mutual fund	-	(4)	-	(132)
Share of profit of joint ventures and associate accounted for using equity method, net of tax	(3,867)	(2,897)	(135,876)	(100,145)
(Reversal of) expected credit loss	21	(505)	688	(18,381)
Reversal of impairment loss on property, plant and equipment	(256)	-	(9,127)	-
Gain on disposal of investment in joint venture	-	(31)	-	(1,025)
Gain on disposals of property, plant and equipment and intangible assets	(12)	(85)	(428)	(2,824)
Interest income	(187)	(126)	(6,539)	(4,571)
Provision for employee benefits	602	517	20,861	17,963
Loss from write-off non-refundable withholding tax	679	501	23,553	17,718
	39,254	20,522	1,378,091	757,796
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institutions	(6,615)	(218)	(226,387)	(7,535)
Trade and other current receivables	(43,569)	415	(1,491,075)	14,343
Supplies and spare parts	4	(601)	137	(20,772)
Other non-current assets	-	(6)	-	(207)
Trade and other current payables	22,880	10,988	783,028	379,772
Translation adjustments	-	-	(33,356)	(36,557)
Net cash generated from operations	11,954	31,100	410,438	1,086,840
Provision for employee benefit paid	(165)	(153)	(5,731)	(5,325)
Taxes paid	(1,830)	(2,557)	(63,939)	(88,608)
<b>Net cash from operating activities</b>	<b>9,959</b>	<b>28,390</b>	<b>340,768</b>	<b>992,907</b>

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	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>				
Proceed from sale of current investments	-	2,880	-	99,540
Increase in short-term loan to related party	(2,000)	(1,250)	(68,447)	(43,203)
Proceeds from long-term loan to related party	-	1,092	-	37,742
Proceeds from sale of property, plant and equipment and intangible assets	28	2,087	958	72,131
Acquisition of property, plant and equipment and intangible assets	(11,117)	(14,931)	(380,460)	(516,051)
Proceeds from sale of interest in joint venture	-	31	-	1,071
Interest received	198	105	6,776	3,629
<b>Net cash used in investing activities</b>	<b>(12,891)</b>	<b>(9,986)</b>	<b>(441,173)</b>	<b>(345,141)</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from short-term borrowings from parent company	7,500	4,000	256,675	138,250
Proceeds from short-term borrowings from financial institution	3,006	-	102,875	-
Repayment of short-term borrowing from financial institution	(17)	-	(582)	-
Proceeds from long-term borrowings from parent company	37,500	-	1,283,374	-
Proceeds from long-term borrowings from financial institution	5,920	-	202,602	-
Repayment of long-term borrowings from financial institution	(14,272)	(14,272)	(488,435)	(493,275)
Payment of lease liabilities	(10,308)	(5,454)	(352,774)	(188,503)
Interest paid	(3,986)	(2,208)	(139,053)	(77,886)
<b>Net cash from (used in) financing activities</b>	<b>25,343</b>	<b>(17,934)</b>	<b>864,682</b>	<b>(621,414)</b>
Net increase in cash and cash equivalents, before effect of exchange rates	22,411	470	764,277	26,352
Effect of exchange rates changes on cash and cash equivalents	105	(652)	3,650	(23,522)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>22,516</b>	<b>(182)</b>	<b>767,927</b>	<b>2,830</b>
Cash and cash equivalents at 1 January	7,801	7,983	269,621	266,791
<b>Cash and cash equivalents at 31 December</b>	<b>30,317</b>	<b>7,801</b>	<b>1,037,548</b>	<b>269,621</b>
<b><i>Non-cash transactions</i></b>				
Acquisition of interest in joint venture	-	15	-	518
Payables for purchase of property, plant and equipment	1,212	813	41,479	28,099
Lease agreements for purchase of equipment	445	34,071	15,229	1,177,576
Dividend receivable from joint venture	3,746	1,330	128,200	45,968

	<b>Separate financial statements</b>			
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>				
Loss for the year	(3,227)	(4,070)	(108,928)	(139,039)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax income	(12)	(2)	(434)	(73)
Finance costs	1,822	383	63,892	13,449
Depreciation	311	333	10,814	11,659
Amortization	5	-	174	-
Unrealised (gain) loss on exchange	(1,223)	1,887	(46,681)	62,883
Gain from sale of trading securities	-	(2)	-	(73)
Interest income	(1,013)	(895)	(35,365)	(31,366)
Provision for employee benefits	48	45	1,671	1,574
Loss from write-off non-refundable withholding tax	73	55	2,549	1,892
	<b>(3,216)</b>	<b>(2,266)</b>	<b>(112,308)</b>	<b>(79,094)</b>
<i>Changes in operating assets and liabilities</i>				
Receivables from related parties	1,383	4,564	47,331	157,743
Other accounts receivable	(24)	-	(821)	-
Other non-current assets	(17,858)	(10,127)	(611,160)	(350,013)
Other accounts payable	304	(44)	10,404	(1,520)
Translation adjustments	-	-	3,764	7,238
Net cash generated used in operations	<b>(19,411)</b>	<b>(7,873)</b>	<b>(662,790)</b>	<b>(265,646)</b>
Provision for employee benefit paid	(3)	(4)	(107)	(146)
Taxes paid	(8)	(6)	(280)	(288)
<b>Net cash used in operating activities</b>	<b>(19,422)</b>	<b>(7,883)</b>	<b>(663,177)</b>	<b>(266,080)</b>
<b><i>Cash flows from investing activities</i></b>				
Proceeds from sale of current investments	-	2	-	69
Increase in short-term loans to related party	(6,200)	(1,955)	(212,184)	(67,569)
Proceeds from long-term loan to related party	-	1,107	-	38,261
Increase in long-term loans to related party	(15,570)	-	(532,857)	-
Acquisition of property, plant and equipment	(92)	(34)	(3,148)	(1,175)
Interest received	127	12	4,346	415
<b>Net cash used in investing activities</b>	<b>(21,735)</b>	<b>(868)</b>	<b>(743,843)</b>	<b>(29,999)</b>

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

## Statement of cash flows

Mermaid Maritime Public Company Limited and Its Subsidiaries

	<b>Separate financial statements</b>			
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>				
Proceeds from short-term borrowing from parent company	7,500	4,000	256,675	138,250
Proceeds from long-term borrowing from parent company	37,500	-	1,283,374	-
Payment of lease liabilities	(132)	(162)	(4,517)	(5,599)
Finance costs paid	(1,195)	(274)	(42,484)	(9,781)
<b>Net cash from financing activities</b>	<b>43,673</b>	<b>3,564</b>	<b>1,493,048</b>	<b>122,870</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	2,516	(5,187)	86,028	(173,209)
Effects of exchange rate changes on cash and cash equivalents	49	(27)	1,719	(922)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,565</b>	<b>(5,214)</b>	<b>87,747</b>	<b>(174,131)</b>
Cash and cash equivalents at 1 January	105	5,319	3,629	177,760
<b>Cash and cash equivalents at 31 December</b>	<b>2,670</b>	<b>105</b>	<b>91,376</b>	<b>3,629</b>
<b><i>Non-cash transactions</i></b>				
Payables for purchase of property, plant and equipment	2	2	68	69
Lease agreements for purchase of equipment	304	199	10,404	6,878

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

## Notes to the financial statements

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Mermaid Maritime Public Company Limited and Its Subsidiaries

For the year ended 31 December 2023

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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 29 February 2024.

## 1 General information

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

The parent company during the financial year is Thoresen Thai Agencies Public Company Limited, which is incorporated in 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, ownership and operations of a fleet of offshore service vessels and decommissioning service.

## 2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions. The accounting policies, described in the notes, have been applied consistently to all periods presented in these financial statements.

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).

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 that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

As at 31 December 2023, the Company has negative working capital of US Dollar 19.7 million. The management have confirmed its intention to continue the operations and the parent company has provided financial assistance to the Company which they will not call upon the borrowings for the next 12 months unless the Company has sufficient funds to meet the outstanding financial obligations to the parent company.

### 3 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 is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with parent, subsidiaries, associates and joint ventures are described in notes 1, 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
PSM Land Company Limited	Thailand	One of the directors of parent company is a major shareholder
V Ventures Int Pte. Ltd.	Singapore	An indirect subsidiary of parent company
Unique Mining Services PLC.	Thailand	An indirect subsidiary of parent company
V Ventures Technologies Co., Ltd.	Thailand	A direct subsidiary of parent company
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

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
<b>Parent</b>				
Administrative expenses	67	59	2,333	2,074
Finance costs	1,803	367	63,225	12,888
<b>Joint venture</b>				
Rendering of services	95,453	65,923	3,336,436	2,319,441
Other income	428	426	14,920	14,869
Costs of rendering of services	5,500	6,627	194,821	223,422
Administrative expenses	-	1	-	33
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	775	753	26,962	26,358
Post-employment benefits	11	11	382	364
Total key management personnel compensation	786	764	27,344	26,722
<b>Other related parties</b>				
Sales of share capital	-	31	-	1,094
Sales of current investment	-	2,875	-	101,479
Sales of intangible assets	-	2,056	-	72,571
Administrative expenses	72	54	2,516	1,889

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b>Parent</b>				
Administrative expenses	56	45	1,950	1,584
Finance cost	1,803	367	63,225	12,888
<b>Subsidiaries</b>				
Management fee income	403	420	14,025	14,727
Interest income	880	878	30,706	30,747
Other income	140	125	4,858	4,376
Administrative expenses	-	2	-	73
<b>Joint Ventures</b>				
Other income	345	230	12,028	8,122
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	775	753	26,962	26,358
Post-employment benefits	11	11	382	364
Total key management personnel compensation	786	764	27,344	26,722
<b>Other related parties</b>				
Administrative expenses	72	54	2,517	1,889
<b>Balances with related parties</b> <b>At 31 December</b>				
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b>Trade accounts receivable</b>				
Joint ventures	24,849	17,250	850,415	596,201
<b>Total</b>	<b>24,849</b>	<b>17,250</b>	<b>850,415</b>	<b>596,201</b>
<b>Other receivables</b>				
Associate	146	101	4,996	3,491
Joint ventures	3,837	1,332	131,315	46,037
Other related party	7,542	7,542	258,112	260,670
	11,525	8,975	394,423	310,198
Less allowance for expected credit loss	(7,542)	(7,542)	(258,112)	(260,670)
<b>Net</b>	<b>3,983</b>	<b>1,433</b>	<b>136,311</b>	<b>49,528</b>
<b>Other non-current receivables</b>				
Joint venture	16,000	16,000	547,573	552,998
<b>Total</b>	<b>16,000</b>	<b>16,000</b>	<b>547,573</b>	<b>552,998</b>
<b>Loans to</b>				
Joint venture	3,250	1,250	111,226	43,203
Other related party	18,350	18,350	627,998	634,220
	21,600	19,600	739,224	677,423
Less allowance for expected credit loss	(18,350)	(18,350)	(627,998)	(634,220)
<b>Net</b>	<b>3,250</b>	<b>1,250</b>	<b>111,226</b>	<b>43,203</b>

<i>Balances with related parties</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b><i>Trade accounts payable</i></b>				
Joint venture	1,199	903	41,034	31,210
<b>Total</b>	<b>1,199</b>	<b>903</b>	<b>41,034</b>	<b>31,210</b>
<b><i>Other payables</i></b>				
Parent	766	135	26,215	4,666
Other related party	617	617	21,116	21,325
<b>Total</b>	<b>1,383</b>	<b>752</b>	<b>47,331</b>	<b>25,991</b>
<b><i>Borrowing from parent company</i></b>				
Short-term borrowings	11,500	4,000	393,568	138,250
Current portion of long-term borrowing	17,500	5,000	598,908	172,812
Long-term borrowings	25,000	-	855,583	-
<b>Total</b>	<b>54,000</b>	<b>9,000</b>	<b>1,848,059</b>	<b>311,062</b>

Short-term and long-term borrowings for support working capital were granted by parent company and were denominated in US Dollar, with interest at the rate 7% per annum. The repayment terms on call for short-term borrowings and until March 2026 for long-term borrowings.

#### ***Significant agreement with related party***

A direct subsidiary entered into Guarantee Agreements with related party to provide the corporate guarantee to the financial institution for the term loan of agreed amount. Under the term of the agreements, the related party agree to pay fees as stipulated in the agreement. The agreement expires when the loan has been fully paid to the financial institution.

<i>Balances with related parties</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b><i>Other receivables</i></b>				
Subsidiaries	4,654	4,397	159,275	151,971
Associate	147	101	5,031	3,491
Joint venture	69	2	2,361	69
	4,870	4,500	166,667	155,531
<i>Less allowance for expected credit loss</i>	(4,247)	(4,247)	(145,346)	(146,787)
<b>Net</b>	<b>623</b>	<b>253</b>	<b>21,321</b>	<b>8,744</b>
<b><i>Other non-current receivables</i></b>				
Subsidiary	70,077	51,966	2,398,267	1,796,069
<i>Less allowance for expected credit loss</i>	(24,745)	(24,492)	(846,856)	(846,502)
<b>Net</b>	<b>45,332</b>	<b>27,474</b>	<b>1,551,411</b>	<b>949,567</b>

<i>Balances with related parties</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Loans to</i></b>				
Subsidiaries	79,606	59,317	2,724,381	2,050,137
Joint venture	3,250	1,250	111,226	43,203
Less allowance for expected credit loss	(28,896)	(28,685)	(988,917)	(991,422)
<b>Net</b>	<b>53,960</b>	<b>31,882</b>	<b>1,846,690</b>	<b>1,101,918</b>

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

<i>Balances with related parties</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Other accounts payable</i></b>				
Parent	744	123	25,462	4,251
Subsidiaries	11	12	376	415
<b>Total</b>	<b>755</b>	<b>135</b>	<b>25,838</b>	<b>4,666</b>
<b><i>Borrowing from parent company</i></b>				
Short-term borrowings	11,500	4,000	393,568	138,250
Current portion of long-term borrowing	17,500	5,000	598,908	172,812
Long-term borrowings	25,000	-	855,583	-
<b>Total</b>	<b>54,000</b>	<b>9,000</b>	<b>1,848,059</b>	<b>311,062</b>

#### 4 Cash and cash equivalents

##### *Accounting policy*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

	<b>Consolidated financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Cash on hand	64	68	2,190	2,350
Cash at bank	30,253	7,733	1,035,358	267,271
<b>Total</b>	<b>30,317</b>	<b>7,801</b>	<b>1,037,548</b>	<b>269,621</b>

	Separate financial statements			
	2023 (in thousand US Dollar)	2022	2023 (in thousand Baht)	2022
Cash on hand	2	1	68	35
Cash at bank	2,668	104	91,308	3,594
<b>Total</b>	<b>2,670</b>	<b>105</b>	<b>91,376</b>	<b>3,629</b>

## 5 Restricted deposit at financial institutions

### *Accounting policy*

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

### *Consolidated financial statements*

As at 31 December 2023, US Dollar 14.9 million or equivalent to Baht 510.6 million (2022: US Dollar 8.3 million or equivalent to Baht 286.9 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 2023, US Dollar 0.1 million or equivalent to Baht 3.4 million (2022: US Dollar 0.1 million or equivalent to Baht 3.6 million) restricted deposit at financial institutions were deposited by subsidiaries to secure the performance guarantee from the financial institution.

## 6 Trade accounts receivable

### *Accounting policy*

A trade accounts receivable is recognised when the Group has an unconditional right to receive consideration. A trade accounts receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

<i>At 31 December</i>	Consolidated financial statements			
	2023 (in thousand US Dollar)	2022	2023 (in thousand Baht)	2022
Within credit terms	36,088	23,139	1,235,050	799,739
Overdue:				
Less than 3 months	21,969	7,337	751,852	253,584
3-6 months	1,530	1,582	52,362	54,678
6-12 months	1,839	1,005	62,937	34,735
Over 12 months	994	531	34,018	18,353
	<b>62,420</b>	<b>33,594</b>	<b>2,136,219</b>	<b>1,161,089</b>
Less allowance for expected credit loss	(473)	(605)	(16,188)	(20,910)
<b>Net</b>	<b>61,947</b>	<b>32,989</b>	<b>2,120,031</b>	<b>1,140,179</b>
Contract asset - accrued income	23,852	14,927	816,294	515,913
Retention receivables	9,309	7,619	318,585	263,331
<b>Total</b>	<b>95,108</b>	<b>55,535</b>	<b>3,254,910</b>	<b>1,919,423</b>

<i>Allowance for expected credit loss</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
At 1 January	605	4,032	20,910	134,749
Addition	534	541	18,767	18,930
Reversal	(643)	(1,046)	(22,459)	(37,576)
Write-off	(23)	(2,922)	(780)	(102,551)
Translation adjustments	-	-	(250)	7,358
<b>At 31 December</b>	<b>473</b>	<b>605</b>	<b>16,188</b>	<b>20,910</b>

Information of credit risk is disclosed in note 18 (b.1).

## 7 Investment in associate and joint ventures

### *Accounting policy*

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.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group's dividend income and 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.

Investments in associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

The Group translated the financial statements of foreign associates and joint ventures and considers impairment on investments in associates and joint ventures as disclosed in note 8 and 10, respectively.

Consolidated financial statements										
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		(in thousand US Dollar)
		2023	2022	2023	2022	2023	2022	2023	2022	
<b>Associate</b>										
<i>Direct associate</i>										
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	22,362	22,381	
<b>Total</b>					<b>22,507</b>	<b>22,507</b>	<b>22,362</b>	<b>22,381</b>		
<b>Joint ventures</b>										
<i>Direct 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	SAR 2 million	SAR 2 million	213	213	1,739	1,673	
<i>Indirect joint ventures</i>										
ZeaQuest Co., Ltd.										
Robotics and artificial intelligence developer and commercial subsea engineering service provider	Thailand	50.00	50.00	THB 155 million	THB 155 million	2,577	2,577	1,390	564	
Millennium 3 Ship Management and Operations DMCCO	United Arab Emirates	50.00	50.00	AED 1 million	AED 1 million	136	136	3,130	3,882	
<b>Total</b>					<b>2,926</b>	<b>2,926</b>	<b>6,259</b>	<b>6,119</b>		

Consolidated financial statements										
Associate	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity	
			2023	2022	2023	2022	2023	2022	2023	2022
									<i>(in thousand Baht)</i>	
<i>Direct associate</i>										
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	770,264	777,896	765,301	773,541
<b>Total</b>						<b>770,264</b>	<b>777,896</b>	<b>765,301</b>	<b>773,541</b>	
<i>Joint ventures</i>										
<i>Direct 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	SAR 2 million	SAR 2 million	7,290	7,362	59,514	57,823
<i>Indirect joint venture</i>										
ZeaQuest Co., Ltd.	Robotics and artificial intelligence developer and commercial subsea engineering service provider	Thailand	50.00	50.00	THB 155 million	THB 155 million	88,193	89,067	47,570	19,493
Millennium 3 Ship Management and Operations DMCCO	Vessels management and operation	United Arab Emirates	50.00	50.00	AED 1 million	AED 1 million	4,654	4,700	107,120	134,171
<b>Total</b>						<b>100,137</b>	<b>101,129</b>	<b>214,204</b>	<b>211,487</b>	

		Separate financial statements					
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost	
		2023	2022	2023	2022	2023	2022
<i>Associate</i>							
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507
<b>Total</b>						<b>22,507</b>	<b>22,507</b>
<i>Joint venture</i>							
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213
<b>Total</b>						<b>213</b>	<b>213</b>
		Separate financial statements					
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost	
		2023	2022	2023	2022	2023	2022
<i>Associate</i>							
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	770,264	777,896
<b>Total</b>						<b>770,264</b>	<b>777,896</b>
<i>Joint venture</i>							
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	7,290	7,362
<b>Total</b>						<b>7,290</b>	<b>7,362</b>

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

<i>Material movement for the year ended 31 December</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
<b><i>Joint ventures</i></b>				
Increase capital in KK Venture Co., Ltd.	-	15	-	518
Disposal of investment in KK Venture Co., Ltd.	-	(31)	-	(1,071)

*Increase in share capital of joint ventures*

At the Extraordinary General Meeting of shareholders of KK Venture Co., Ltd. (“KKV”), held on 31 January 2022, the shareholders approved to increase the share capital of KKV by Baht 1.0 million through the issuance of 10,000 new ordinary shares with a par value of Baht 100 each which were registered on 10 February 2022 with Department of Business Development. The shares were fully paid up by the existing shareholders in proportion to their shareholdings. Mermaid Ventures Co., Ltd. (“MMV”), a direct subsidiary, acquired 50% of the increase share by offsetting its loans to KKV as consideration payment.

*Disposal of investment in joint venture*

On 1 March 2022, MMV entered into a share sale and purchase agreement in relation to shares of KK Venture Co., Ltd. (“KKV’s shares”). MMV agreed to sell all of KKV’s shares to V Ventures Technologies Co., Ltd., a related party, for a consideration of Baht 1.0 million in cash which fully received in March 2022. As a result, KKV was no longer a joint venture of the Group as at 31 December 2022.

*New joint venture agreement*

On 21 June 2023, Mermaid Subsea Services (Thailand) Ltd. (“MSST”), a subsidiary of the Company signed an agreement with Tan Cang Offshore Services Joint Stock Company, a company incorporation in Vietnam, to establish a joint venture company in Vietnam. The joint venture company, namely Tan Cang Mermaid Subsea Services Company Limited (“TC Mermaid”), were registered on 8 December 2023 with authorized share capital at VND 35,535,000,000. The shares will be paid-up within 90 days from the registration dated.

*Material associate and joint ventures*

The following table summarises the financial information of the material associate and joint ventures 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.

	<b>Millennium 3 Ship Management and Operations DMCCO</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Revenue	13,080	13,243	455,770	464,466
Profit from continuing operations	5,988	7,670	209,060	266,379
Total comprehensive income (100%)	5,988	7,670	209,060	266,379
<b>Group's share of total comprehensive income</b>	<b>2,994</b>	<b>3,835</b>	<b>104,530</b>	<b>133,190</b>
Dividend income from joint ventures for the year	3,746	1,330	133,549	48,486
Current assets	21,373	16,531	731,455	571,351
Non-current assets	28,798	30,020	985,563	1,037,563
Current liabilities	(43,911)	(38,787)	(1,502,779)	(1,340,572)
Non-current liabilities	-	-	-	-
Net assets (100%)	6,260	7,764	214,239	268,342
Group's share of net assets (% hold)	3,130	3,882	107,120	134,171
<b>Carrying amount of investment in joint venture</b>	<b>3,130</b>	<b>3,882</b>	<b>107,120</b>	<b>134,171</b>

	<b>Zeaquest Co., Ltd.</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Revenue	38,028	20,388	1,336,247	716,224
Profit (loss) from continuing operations	1,595	(1,920)	57,372	(67,800)
Total comprehensive income (expense) (100%)	1,595	(1,920)	57,372	(67,800)
<b>Group's share of total comprehensive income (expense)</b>	<b>798</b>	<b>(960)</b>	<b>28,686</b>	<b>(33,900)</b>
Current assets	22,162	8,419	758,457	290,981
Non-current assets	2,410	2,259	82,478	78,076
Current liabilities	(21,356)	(9,057)	(730,873)	(313,032)
Non-current liabilities	-	-	-	-
Net assets (100%)	3,216	1,621	110,062	56,025
Group's share of net assets (% hold)	1,608	811	55,031	28,030
Elimination of unrealised profit on sale equipment	(218)	(247)	(7,461)	(8,537)
<b>Carrying amount of investment in joint venture</b>	<b>1,390</b>	<b>564</b>	<b>47,570</b>	<b>19,493</b>

	<b>PTGC Co., Ltd.</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Loss from continuing operations	(37)	(29)	(1,269)	(661)
Total comprehensive expense (100%)	(37)	(29)	(1,269)	(661)
<b>Group's share of total comprehensive expense</b>	<b>(18)</b>	<b>(14)</b>	<b>(622)</b>	<b>(324)</b>
Current assets	11	8	376	276
Non-current assets	19,360	19,360	662,563	669,128
Current liabilities	(5)	-	(171)	-
Non-current liabilities	(136)	(101)	(4,654)	(3,491)
Net assets (100%)	19,230	19,267	658,114	665,913
Group's share of net assets (% hold)	9,423	9,442	322,486	326,338
Goodwill	12,939	12,939	442,815	447,203
<b>Carrying amount of investment in associate</b>	<b>22,362</b>	<b>22,381</b>	<b>765,301</b>	<b>773,541</b>

## 8 Investments in subsidiaries

### *Accounting policy*

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. Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated at rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences are recognised in other comprehensive income, except to the extent that the translation difference is allocated to non-controlling interests. Foreign exchange differences are accumulated in the translation reserve until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.



Name of subsidiary	Separate financial statements									
	Ownership interest (%)		Paid - up capital		Cost		Impairment		At cost - net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Direct subsidiaries</b>										
Mermaid Subsea Services (Thailand) Ltd.	100.00	100.00	THB 2,130 million	THB 2,130 million	5,252,763	5,304,810	(3,358,093)	(3,391,366)	1,894,670	1,913,444
Mermaid Drilling Ltd.	95.00	95.00	THB 410 million	THB 410 million	481,659	486,431	(481,659)	(486,431)	-	-
Mermaid Maritime Mauritius Ltd.	100.00	100.00	USD 1	USD 1	-	-	-	-	-	-
Mermaid Ventures Co., Ltd.	100.00	100.00	THB 250 thousand	THB 250 thousand	274	276	-	-	274	276
<b>Total</b>					<b>5,734,696</b>	<b>5,791,517</b>	<b>(3,839,752)</b>	<b>(3,877,797)</b>	<b>1,894,944</b>	<b>1,913,720</b>
<b>Indirect subsidiaries</b>										
Seascope Surveys Pte. Ltd.	100.00	100.00	SGD 100	SGD 100	488,298	493,136	(488,298)	(493,136)	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd. (1)	45.00	45.00	MYR 4,550 thousand	MYR 550 thousand	34,771	4,804	-	-	34,771	4,804
Mermaid Subsea Services (UK) Ltd.	100.00	100.00	GBP 100 thousand	GBP 100 thousand	4,449	4,493	-	-	4,449	4,493
Mermaid Subsea Oil and Gas Services DMCEST	100.00	100.00	AED 1 million	AED 1 million	9,377	9,470	-	-	9,377	9,470
Mermaid Decom Co., Ltd.	100.00	100.00	THB 250 thousand	THB 250 thousand	274	276	-	-	274	276
Mermaid Offshore Services Pte. Ltd.	100.00	100.00	USD 20,400 thousand	USD 20,400 thousand	698,155	705,073	(698,155)	(705,073)	-	-
Mermaid International Ventures	100.00	100.00	USD 100	USD 100	3	3	-	-	3	3
Mermaid Subsea Services (International) Ltd.	100.00	100.00	USD 1	USD 1	259,618	262,190	-	-	259,618	262,190
Mermaid Subsea Services Saudi Arabia Co., Ltd.	95.00	95.00	SAR 500 thousand	SAR 500 thousand	13,210	13,341	-	-	13,210	13,341
Mermaid Subsea Services W.L.L. (1)	49.00	49.00	QAR 200 thousand	QAR 200 thousand	1,882	1,901	-	-	1,882	1,901
<b>Total</b>					<b>1,510,037</b>	<b>1,494,687</b>	<b>(1,186,453)</b>	<b>(1,198,209)</b>	<b>323,584</b>	<b>296,478</b>

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

<b>Material movement</b> <b>Year ended 31 December</b>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Increase capital in Mermaid Subsea Services (Malaysia) Ltd.	877	-	29,967	-
Increase capital in Mermaid Decom Co., Ltd.	-	8	-	276

*New indirect subsidiary*

On 23 February 2022, Mermaid Subsea Services (Thailand) Limited (“MSST”), a direct subsidiary, has fully invested into Mermaid Decom Co., Ltd. (“DCOM”), which incorporated in Thailand. As a result, DCOM became an indirect subsidiary of the Company. The main business of DCOM is to provide decommissioning services.

*Increase in share capital of an indirect subsidiary*

On 6 June 2023, the shareholders of Mermaid Subsea Services (Malaysia) Ltd. (“MSSM”), an indirect subsidiary, approved the increase in share capital of MSSM by MYR 4.0 million, from MYR 0.6 million to MYR 4.6 million. The addition shares were registered and fully paid-up on 6 June 2023.

## 9 Investment properties

*Accounting policy*

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 assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 10 and 20 years and recognised in profit or loss. No depreciation is charged on freehold land and assets under construction.

	<b>Consolidated financial statements</b>		
	Land	Buildings	Total
	<i>(in thousand US Dollar)</i>		
<b>Cost</b>			
At 1 January 2022	248	1,271	1,519
<b>At 31 December 2022 and at 1 January 2023</b>	<b>248</b>	<b>1,271</b>	<b>1,519</b>
<b>At 31 December 2023</b>	<b>248</b>	<b>1,271</b>	<b>1,519</b>
<b>Depreciation</b>			
At 1 January 2022	-	1,070	1,070
Depreciation charge for the year	-	43	43
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>1,113</b>	<b>1,113</b>
Depreciation charge for the year	-	44	44
<b>At 31 December 2023</b>	<b>-</b>	<b>1,157</b>	<b>1,157</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>248</b>	<b>158</b>	<b>406</b>
<b>At 31 December 2023</b>	<b>248</b>	<b>114</b>	<b>362</b>

	<b>Consolidated financial statements</b>		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
<b>Cost</b>			
At 1 January 2022	8,288	42,477	50,765
Translation adjustments	283	1,452	1,735
<b>At 31 December 2022 and at 1 January 2023</b>	<b>8,571</b>	<b>43,929</b>	<b>52,500</b>
Translation adjustments	(84)	(431)	(515)
<b>At 31 December 2023</b>	<b>8,487</b>	<b>43,498</b>	<b>51,985</b>
<b>Depreciation</b>			
At 1 January 2022	-	35,759	35,759
Depreciation charge for the year	-	1,506	1,506
Translation adjustments	-	1,203	1,203
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>38,468</b>	<b>38,468</b>
Depreciation charge for the year	-	1,531	1,531
Translation adjustments	-	(403)	(403)
<b>At 31 December 2023</b>	<b>-</b>	<b>39,596</b>	<b>39,596</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>8,571</b>	<b>5,461</b>	<b>14,032</b>
<b>At 31 December 2023</b>	<b>8,487</b>	<b>3,902</b>	<b>12,389</b>

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Amounts recognised in profit or loss</b>				
Office service fee	150	150	5,228	5,259

	<b>Separate financial statements</b>			
	Land	Buildings	Buildings improvement	Total
	<i>(in thousand US Dollar)</i>			
<b>Cost</b>				
At 1 January 2022	838	4,390	160	5,388
<b>At 31 December 2022 and at 1 January 2023</b>	<b>838</b>	<b>4,390</b>	<b>160</b>	<b>5,388</b>
<b>At 31 December 2023</b>	<b>838</b>	<b>4,390</b>	<b>160</b>	<b>5,388</b>
<b>Depreciation</b>				
At 1 January 2022	-	3,735	158	3,893
Depreciation charge for the year	-	159	-	159
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>3,894</b>	<b>158</b>	<b>4,052</b>
Depreciation charge for the year	-	159	-	159
<b>At 31 December 2023</b>	<b>-</b>	<b>4,053</b>	<b>158</b>	<b>4,211</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>838</b>	<b>496</b>	<b>2</b>	<b>1,336</b>
<b>At 31 December 2023</b>	<b>838</b>	<b>337</b>	<b>2</b>	<b>1,177</b>

	Separate financial statements			
	Land	Buildings	Buildings improvement	Total
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2022	28,006	146,713	5,347	180,066
Translation adjustments	957	5,016	183	6,156
<b>At 31 December 2022 and at 1 January 2023</b>	<b>28,963</b>	<b>151,729</b>	<b>5,530</b>	<b>186,222</b>
Translation adjustments	(284)	(1,489)	(54)	(1,827)
<b>At 31 December 2023</b>	<b>28,679</b>	<b>150,240</b>	<b>5,476</b>	<b>184,395</b>
<b>Depreciation</b>				
At 1 January 2022	-	124,823	5,280	130,103
Depreciation charge for the year	-	5,576	-	5,576
Translation adjustments	-	4,187	181	4,368
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>134,586</b>	<b>5,461</b>	<b>140,047</b>
Depreciation charge for the year	-	5,535	-	5,535
Translation adjustments	-	(1,414)	(54)	(1,468)
<b>At 31 December 2023</b>	<b>-</b>	<b>138,707</b>	<b>5,407</b>	<b>144,114</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>28,963</b>	<b>17,143</b>	<b>69</b>	<b>46,175</b>
<b>At 31 December 2023</b>	<b>28,679</b>	<b>11,533</b>	<b>69</b>	<b>40,281</b>

Year ended 31 December	Separate financial statements			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Amounts recognised in profit or loss</b>				
Office service fee	276	275	9,611	9,636

The fair value of investment properties as at 31 December 2023 of US Dollar 2.0 million or equivalent to Baht 67.1 million (2022: US Dollar 2.0 million or equivalent to Baht 68.0 million) and US Dollar 5.3 million or equivalent to Baht 179.7 million (2022: US Dollar 5.3 million or equivalent to Baht 183.0 million) in the consolidated and separate financial statements, respectively, were determined by independent professional valuer, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

## 10 Property, plant and equipment

### Accounting policy

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 capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when 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 is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

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

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.

#### *Impairment losses*

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 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 in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. 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. An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The recoverable amount is assessed from the estimated future cash flows 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.

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>(in thousand US Dollar)</i>										
<b>Cost</b>											
At 1 January 2022	590	3,240	1,589	80,147	2,929	1,287	266,368	27,544	3,172	700	387,566
Additions	-	-	783	3,217	163	27	-	-	9	10,994	15,193
Transfer	-	-	-	5,819	-	-	4,739	-	-	(10,558)	-
Disposals	-	-	-	(5,335)	(10)	(121)	-	-	-	-	(5,466)
<b>At 31 December 2022</b>											
and 1 January 2023	590	3,240	2,372	83,848	3,082	1,193	271,107	27,544	3,181	1,136	397,293
Additions	-	-	-	3,673	322	84	20	99	-	7,270	11,468
Transfer	-	-	-	135	-	-	-	2,917	-	(3,052)	-
Transfer to assets held for sale	-	-	-	(582)	-	-	(17,489)	(1,759)	-	-	(19,830)
Disposals	-	-	-	(115)	(6)	(61)	-	-	-	-	(182)
Write off	-	-	-	-	(2)	-	-	-	-	-	(2)
<b>At 31 December 2023</b>	<b>590</b>	<b>3,240</b>	<b>2,372</b>	<b>86,959</b>	<b>3,396</b>	<b>1,216</b>	<b>253,638</b>	<b>28,801</b>	<b>3,181</b>	<b>5,354</b>	<b>388,747</b>
<b>Depreciation</b>											
At 1 January 2022	-	(2,765)	(1,549)	(63,606)	(2,686)	(1,227)	(132,037)	(19,016)	(1,772)	-	(224,658)
Depreciation charge for the year	-	(122)	(110)	(3,763)	(135)	(23)	(6,907)	(2,595)	(99)	-	(13,754)
Disposals	-	-	-	3,526	9	121	-	-	-	-	3,656
<b>At 31 December 2022</b>											
and 1 January 2023	-	(2,887)	(1,659)	(63,843)	(2,812)	(1,129)	(138,944)	(21,611)	(1,871)	-	(234,756)
Depreciation charge for the year	-	(122)	(161)	(4,678)	(178)	(24)	(6,916)	(3,567)	(100)	-	(15,746)
Transfer to assets held for sale	-	-	-	580	-	-	6,030	1,202	-	-	7,812
Disposals	-	-	-	103	6	59	-	-	-	-	168
<b>At 31 December 2023</b>	<b>-</b>	<b>(3,009)</b>	<b>(1,820)</b>	<b>(67,838)</b>	<b>(2,984)</b>	<b>(1,094)</b>	<b>(139,830)</b>	<b>(23,976)</b>	<b>(1,971)</b>	<b>-</b>	<b>(242,522)</b>

## 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>(in thousand US Dollar)</i>											
<b>Impairment losses</b>											
At 1 January 2022	-	-	-	(4,672)	-	-	(24,163)	(1,316)	-	-	(30,151)
Disposals	-	-	-	1,809	-	-	-	-	-	-	1,809
<b>At 31 December 2022</b>	-	-	-	(2,863)	-	-	(24,163)	(1,316)	-	-	(28,342)
Disposals	-	-	-	-	-	-	256	-	-	-	256
Transfer to assets held for sale	-	-	-	2	-	-	10,707	558	-	-	11,267
<b>At 31 December 2023</b>	-	-	-	(2,861)	-	-	(13,200)	(758)	-	-	(16,819)
<b>Net book value</b>											
At 31 December 2022	590	353	713	17,142	270	64	108,000	4,617	1,310	1,136	134,195
At 31 December 2023	590	231	552	16,260	412	122	100,608	4,067	1,210	5,354	129,406

<b>Consolidated financial statements</b>											
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles <i>(in thousand Baht)</i>	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<b>Cost</b>											
At 1 January 2022	19,718	108,280	53,104	2,678,506	97,887	43,011	8,901,992	920,518	106,008	23,394	12,952,418
Additions	-	-	27,062	111,187	5,634	933	-	-	311	379,979	525,106
Transfer	-	-	-	201,119	-	-	163,791	-	-	(364,910)	-
Disposals	-	-	-	(184,390)	(346)	(4,182)	-	-	-	-	(188,918)
Translation adjustment	674	3,702	1,816	91,566	3,346	1,471	304,325	31,469	3,624	800	442,793
<b>At 31 December 2022</b>	<b>20,392</b>	<b>111,982</b>	<b>81,982</b>	<b>2,897,988</b>	<b>106,521</b>	<b>41,233</b>	<b>9,370,108</b>	<b>951,987</b>	<b>109,943</b>	<b>39,263</b>	<b>13,731,399</b>
At 1 January 2023	-	-	-	125,702	11,020	2,875	684	3,388	-	248,803	392,472
Additions	-	-	-	4,620	-	-	-	99,829	-	(104,449)	-
Transfer	-	-	-	-	-	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	(19,918)	-	-	(598,531)	(60,199)	-	-	(678,648)
Disposals	-	-	-	(3,936)	(205)	(2,088)	-	-	-	-	(6,229)
Write off	-	-	-	-	(68)	-	-	-	-	-	(68)
Translation adjustment	(200)	(1,099)	(804)	(28,432)	(1,046)	(404)	(91,932)	(9,340)	(1,079)	(385)	(134,721)
<b>At 31 December 2023</b>	<b>20,192</b>	<b>110,883</b>	<b>81,178</b>	<b>2,976,024</b>	<b>116,222</b>	<b>41,616</b>	<b>8,680,329</b>	<b>985,665</b>	<b>108,864</b>	<b>183,232</b>	<b>13,304,205</b>



## 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
<b>Impairment losses</b>											
At 1 January 2022	-	-	-	(156,137)	-	-	(807,525)	(43,981)	-	-	(1,007,643)
Disposals	-	-	-	65,874	-	-	-	-	-	-	65,874
Translation adjustments	-	-	-	(8,690)	-	-	(27,606)	(1,503)	-	-	(37,799)
<b>At 31 December 2022</b>	-	-	-	<b>(98,953)</b>	-	-	<b>(835,131)</b>	<b>(45,484)</b>	-	-	<b>(979,568)</b>
Disposals	-	-	-	-	-	-	9,127	-	-	-	9,127
Transfer to assets held for sale	-	-	-	68	-	-	366,429	19,097	-	-	385,594
Translation adjustments	-	-	-	972	-	-	7,827	446	-	-	9,245
<b>At 31 December 2023</b>	-	-	-	<b>(97,913)</b>	-	-	<b>(451,748)</b>	<b>(25,941)</b>	-	-	<b>(575,602)</b>
<b>Net book value</b>											
At 31 December 2022	20,392	12,200	24,643	592,467	9,332	2,212	3,732,740	159,575	45,277	39,263	4,638,101
At 31 December 2023	20,192	7,905	18,892	556,470	14,100	4,176	3,443,137	139,186	41,410	183,232	4,428,700

**Security**

As at 31 December 2023, the Group's property, plant and equipment with a net book value of US Dollar 91.8 million (2022: US Dollar 93.5 million) were registered to secure long-term facilities with financial institution.

<b>Separate financial statements</b>						
	Buildings	Building improvement	Tools and equipment <i>(in thousand US Dollar)</i>	Office equipment	Motor vehicles	Total
<b>Cost</b>						
At 1 January 2022	120	488	78	1,402	29	2,117
Additions	-	-	-	36	-	36
Disposals	-	-	-	(8)	-	(8)
<b>At 31 December 2022 and 1 January 2023</b>	<b>120</b>	<b>488</b>	<b>78</b>	<b>1,430</b>	<b>29</b>	<b>2,145</b>
Additions	-	-	-	71	-	71
Disposals	-	-	-	(5)	-	(5)
<b>At 31 December 2023</b>	<b>120</b>	<b>488</b>	<b>78</b>	<b>1,496</b>	<b>29</b>	<b>2,211</b>
<b>Depreciation</b>						
At 1 January 2022	(99)	(449)	(77)	(1,384)	(18)	(2,027)
Depreciation charge for the year	(6)	(5)	-	(11)	(4)	(26)
Disposals	-	-	-	8	-	8
<b>At 31 December 2022 and 1 January 2023</b>	<b>(105)</b>	<b>(454)</b>	<b>(77)</b>	<b>(1,387)</b>	<b>(22)</b>	<b>(2,045)</b>
Depreciation charge for the year	(6)	(4)	-	(23)	(5)	(38)
Disposals	-	-	-	5	-	5
<b>At 31 December 2023</b>	<b>(111)</b>	<b>(458)</b>	<b>(77)</b>	<b>(1,405)</b>	<b>(27)</b>	<b>(2,078)</b>
<b>Net book value</b>						
At 31 December 2022	15	34	1	43	7	100
At 31 December 2023	9	30	1	91	2	133

## Separate financial statements

	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Total
<i>Cost</i>						
At 1 January 2022	4,010	16,309	2,607	46,856	969	70,751
Additions	-	-	-	1,244	-	1,244
Disposals	-	-	-	(276)	-	(276)
Translation adjustments	137	557	89	1,600	33	2,416
<b>At 31 December 2022 and 1 January 2023</b>	<b>4,147</b>	<b>16,866</b>	<b>2,696</b>	<b>49,424</b>	<b>1,002</b>	<b>74,135</b>
Additions	-	-	-	2,430	-	2,430
Disposals	-	-	-	(171)	-	(171)
Translation adjustments	(40)	(165)	(27)	(484)	(10)	(726)
<b>At 31 December 2023</b>	<b>4,107</b>	<b>16,701</b>	<b>2,669</b>	<b>51,199</b>	<b>992</b>	<b>75,668</b>
<i>Depreciation</i>						
At 1 January 2022	(3,309)	(15,005)	(2,573)	(46,253)	(602)	(67,742)
Depreciation charge for the year	(210)	(176)	-	(384)	(139)	(909)
Disposals	-	-	-	280	-	280
Translation adjustments	(110)	(510)	(88)	(1,581)	(19)	(2,308)
<b>At 31 December 2022 and 1 January 2023</b>	<b>(3,629)</b>	<b>(15,691)</b>	<b>(2,661)</b>	<b>(47,938)</b>	<b>(760)</b>	<b>(70,679)</b>
Depreciation charge for the year	(209)	(139)	-	(804)	(174)	(1,326)
Disposals	-	-	-	174	-	174
Translation adjustments	39	156	26	484	10	715
<b>At 31 December 2023</b>	<b>(3,799)</b>	<b>(15,674)</b>	<b>(2,635)</b>	<b>(48,084)</b>	<b>(924)</b>	<b>(71,116)</b>
<i>Net book value</i>						
At 31 December 2022	518	1,175	35	1,486	242	3,456
At 31 December 2023	308	1,027	34	3,115	68	4,552

Information relating to leases are disclosed in note 11.

## 11 Leases

### *Accounting policy*

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

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 prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term. The Group considers impairment of the right-of-use asset as disclosed in note 10.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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 lease modification, or a change in the assessment of options specified in the lease. 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.

<i>Right-of-use assets</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Land	4,394	5,741	150,377	198,423
Buildings	156	264	5,339	9,124
Support vessel	15,581	23,350	533,233	807,032
Others	405	-	13,860	-
<b>Total</b>	<b>20,536</b>	<b>29,355</b>	<b>702,809</b>	<b>1,014,579</b>

<i>Right-of-use assets</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Buildings	156	264	5,339	9,124
Others	293	-	10,027	-
<b>Total</b>	<b>449</b>	<b>264</b>	<b>15,366</b>	<b>9,124</b>

In 2023, additions to the right-of-use assets of the Group and the Company were US Dollar 0.4 million and US Dollar 0.3 million, respectively (2022: US Dollar 34.1 million and US Dollar 0.2 million, respectively).

During 2023, the Group leased cars and solar cell for 3-15 years with purchase options at the end of lease term. The rental is payable monthly as specified in the contract.

#### *Extension options*

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year-ended 31 December</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
<b><i>Amounts recognised in profit or loss</i></b>				
Sub-lease income	1,104	712	38,422	24,964
Depreciation of right-of-use assets:				
- Land	1,338	886	46,565	31,803
- Buildings	104	148	3,619	5,174
- Support vessel	7,769	3,895	270,378	141,764
- Others	41	-	1,427	-
Interest on lease liabilities	1,582	1,040	55,057	37,715
Expenses relating to short-term leases	1,916	259	66,681	9,057
Expenses relating to leases of low-value assets	23	16	800	566
<i>Year-ended 31 December</i>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Buildings	104	148	3,619	5,174
- Others	10	-	348	-
Interest on lease liabilities	19	15	661	523
Expenses relating to leases of low-value assets	7	7	244	246

In 2023, total cash outflow for leases of the Group and the Company were US Dollar 10.3 million and US Dollar 0.1 million, respectively (2022: US Dollar 5.8 million and US Dollar 0.2 million, respectively).

## 12 Interest-bearing liabilities

### Accounting policy

The Group recognises and measures financial liabilities as disclosed in note 18.

<b>Consolidated financial statements</b>					
	<i>Note</i>	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Short-term borrowing from financial institution - secured		3,064	-	104,860	-
Short-term borrowing from parent company - unsecured	3	11,500	4,000	393,568	138,250
Long-term borrowings from financial institution - secured		24,196	32,484	828,067	1,122,725
Long-term borrowings from parent company- unsecured	3	42,500	5,000	1,454,491	172,812
Lease liabilities		21,564	29,812	737,991	1,030,374
<b>Total interest-bearing liabilities</b>		<b>102,824</b>	<b>71,296</b>	<b>3,518,977</b>	<b>2,464,161</b>

<b>Separate financial statements</b>					
	<i>Note</i>	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Short-term borrowing from parent company - unsecured	3	11,500	4,000	393,568	138,250
Long-term borrowings from parent company- unsecured	3	42,500	5,000	1,454,491	172,812
Lease liabilities		439	245	15,024	8,468
<b>Total interest-bearing liabilities</b>		<b>54,439</b>	<b>9,245</b>	<b>1,863,083</b>	<b>319,530</b>

The Group's long-term borrowings from financial institution bear effective interest rates of 8.31%, 8.40%, 8.41% and 9.33% per annum (2022: 7.38%, 7.48% and 8.15% per annum).

The Company's short-term and long-term borrowings from parent company bear interest rates at 7.0% per annum.

As at 31 December 2023, the Group and the Company had unutilised credit facilities from parent company totalling US Dollar 30 million or equivalent to Baht 1,027 million (2022: Nil).

The movement of long-term borrowings from financial institution were summarised as follows:

<b>Consolidated financial statements</b>				
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
At 1 January	32,484	46,694	1,122,725	1,560,508
Addition	5,920	-	202,602	-
Repayments during year	(14,272)	(14,272)	(488,435)	(493,275)
Amortisation to profit and loss (front end fee)	64	62	2,229	2,174
Translation adjustments	-	-	(11,054)	53,318
<b>At 31 December</b>	<b>24,196</b>	<b>32,484</b>	<b>828,067</b>	<b>1,122,725</b>

The currency denomination of interest-bearing liabilities, excluding finance lease liabilities as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Currency				
US Dollar	24,196	32,484	828,067	1,122,725
<b>Total</b>	<b>24,196</b>	<b>32,484</b>	<b>828,067</b>	<b>1,122,725</b>

Long-term borrowings for the purchase of support vessels were granted by commercial bank and were denominated in US Dollar, having a total outstanding balance of US Dollar 24.2 million as at 31 December 2023 (2022: US Dollar 32.5 million) with repayment terms until 2028. These borrowings bear interest at the rate of USD-SOFR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 10 and are guaranteed by the Company and parent 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 Non-current provisions for employee benefits

#### *Accounting policy*

##### *Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

##### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

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.

The Group's 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 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 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.

<i>At 31 December</i>	<b>Consolidated financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	3,211	2,774	109,891	95,876
Other long-term employee benefits	48	46	1,643	1,590
<b>Total</b>	<b>3,259</b>	<b>2,820</b>	<b>111,534</b>	<b>97,466</b>

<i>At 31 December</i>	<b>Separate financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	381	337	13,039	11,648
Other long-term employee benefits	22	21	753	725
<b>Total</b>	<b>403</b>	<b>358</b>	<b>13,792</b>	<b>12,373</b>

### *Defined benefit plan*

The subsidiaries registered in Thailand operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as interest rate risk.

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
At 1 January	2,820	2,437	97,466	81,444
<b>Recognised in profit or loss:</b>				
Current service cost	588	514	20,375	17,865
Interest on obligation	15	3	523	98
<b>Recognised in other comprehensive income:</b>				
Actuarial (gain) loss				
- Demographic assumption	-	(4)	-	(146)
- Experience adjustment	1	23	35	838
<b>Others:</b>				
Benefits paid	(165)	(153)	(5,732)	(5,325)
Translation adjustment	-	-	(1,133)	2,692
<b>At 31 December</b>	<b>3,259</b>	<b>2,820</b>	<b>111,534</b>	<b>97,466</b>



<b>Consolidated financial statements</b>				
<b><i>Effect to the defined benefit obligation At 31 December</i></b>	Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
<b>Post-employment benefits</b>				
Discount rate (1%)	(5,339)	(5,012)	6,126	6,048
Future salary growth (1%)	6,571	6,187	(5,784)	(5,115)
Employee turnover (20%)	(2,464)	(2,074)	2,841	2,419
Future mortality (20%)	(342)	(311)	342	311
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(103)	(104)	103	104
Employee turnover (20%)	(137)	(138)	171	138
<b>Separate financial statements</b>				
<b><i>Effect to the defined benefit obligation At 31 December</i></b>	Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022
<i>(in thousand US Dollar)</i>				
<b>Post-employment benefits</b>				
Discount rate (1%)	(38)	(35)	44	41
Future salary growth (1%)	51	43	(44)	(37)
Employee turnover (20%)	(41)	(35)	48	40
Future mortality (20%)	(6)	(5)	6	5
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(2)	(2)	2	2
Employee turnover (20%)	(2)	(2)	3	2
<b>Separate financial statements</b>				
<b><i>Effect to the defined benefit obligation At 31 December</i></b>	Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
<b>Post-employment benefits</b>				
Discount rate (1%)	(1,300)	(1,210)	1,506	1,417
Future salary growth (1%)	1,745	1,486	(1,506)	(1,279)
Employee turnover (20%)	(1,403)	(1,210)	1,643	1,382
Future mortality (20%)	(205)	(173)	205	173
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(68)	(69)	68	69
Employee turnover (20%)	(68)	(69)	103	69

## 14 Segment information and disaggregation of revenue

### *Accounting policy*

#### *(1) Revenue recognition*

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. Revenue in a foreign currency is translated into the functional currency at the exchange rate at the date of transaction.

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.

#### *(2) Contract balances*

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities including advances received from customers are the obligation to transfer goods or services to the customer. The contract liabilities including advances received from customers are 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.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and the Group makes a corresponding change to the amount of revenue recognised.

#### *(a) Segment information*

Segment results that are reported to the Group's the chief operation decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Management determined that the Group has two reportable segments, as described below, which are the Group's strategic divisions for 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.

- *Segment 1*                      Subsea group
- *Segment 2*                      Holding

**Consolidated financial statements**  
**For the year ended 31 December 2023**

	Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
<b>Disaggregation of revenue</b>					
<b>Primary geographical markets</b>					
Saudi Arabia	122,147	-	122,147	-	122,147
Thailand	88,754	-	88,754	-	88,754
Qatar	32,272	-	32,272	-	32,272
United Arab Emirates	30,603	-	30,603	-	30,603
United Kingdom	1,288	-	1,288	-	1,288
Vietnam	228	-	228	-	228
Myanmar	110	-	110	-	110
<b>Total revenue</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>
<b>Major products/service lines</b>					
Providing services	275,402	-	275,402	-	275,402
<b>Total revenue</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>
<b>Timing of revenue recognition</b>					
Over time	275,402	-	275,402	-	275,402
<b>Total revenue</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>	<b>-</b>	<b>275,402</b>
Finance costs	3,876	1,822	5,698	(55)	5,643
Depreciation and amortisation	24,737	316	25,053	-	25,053
Share of profit of investments in associate and joint ventures	3,820	47	3,867	-	3,867
Segment profit (loss) before income tax	15,171	(3,973)	11,198	(14)	11,184
Other material non-cash items:					
Reversal of impairment loss on property, plant and equipment	256	-	256	-	256
Reversal of expected credit loss	21	-	21	-	21
Capital expenditures	11,421	94	11,515	-	11,515
Segment assets	326,011	145,890	471,901	(115,322)	356,579
Segment liabilities	299,121	56,855	355,976	(170,000)	185,976

<b>Consolidated financial statements</b>				
<b>For the year ended 31 December 2022</b>				
<b>Subsea group</b>	<b>Holding</b>	<b>Total</b>	<b>Elimination</b>	<b>Group</b>
<i>(in thousand US Dollar)</i>				
<b>Disaggregation of revenue</b>				
<b>Primary geographical markets</b>				
Saudi Arabia	-	131,036	-	131,036
Thailand	-	30,568	-	30,568
Malaysia	-	23,211	-	23,211
Qatar	-	11,884	-	11,884
United Kingdom	-	11,010	-	11,010
United Arab Emirates	-	10,973	-	10,973
Myanmar	-	5,253	-	5,253
<b>Total revenue</b>	<b>-</b>	<b>223,935</b>	<b>-</b>	<b>223,935</b>
<b>Major products/service lines</b>				
Providing services	-	223,935	-	223,935
<b>Total revenue</b>	<b>-</b>	<b>223,935</b>	<b>-</b>	<b>223,935</b>
<b>Timing of revenue recognition</b>				
Over time	-	223,935	-	223,935
<b>Total revenue</b>	<b>-</b>	<b>223,935</b>	<b>-</b>	<b>223,935</b>
Finance costs	383	3,418	(101)	3,317
Depreciation and amortisation	333	18,726	-	18,726
Share of profit of investments in associate and joint ventures	3	2,897	-	2,897
Segment profit (loss) before income tax	(4,695)	1,923	-	1,923
<b>Other material non-cash items:</b>				
Reversal of expected credit loss	-	505	-	505
Capital expenditures	36	15,193	-	15,193
Segment assets	118,812	384,459	(92,968)	291,491
Segment liabilities	10,663	261,838	(131,287)	130,551

<b>Consolidated financial statements For the year ended 31 December 2023</b>				
<b>Subsea group</b>	<b>Holding</b>	<b>Total (in thousand Baht)</b>	<b>Elimination</b>	<b>Group</b>
<b>Disaggregation of revenue</b>				
<b>Primary geographical markets</b>				
Saudi Arabia	-	4,240,577	-	4,240,577
Thailand	-	3,122,013	-	3,122,013
Qatar	-	1,138,127	-	1,138,127
United Arab Emirates	-	1,071,090	-	1,071,090
United Kingdom	-	44,815	-	44,815
Vietnam	-	8,025	-	8,025
Myanmar	-	3,922	-	3,922
<b>Total revenue</b>	-	<b>9,628,569</b>	-	<b>9,628,569</b>
<b>Major products/service lines</b>				
Providing services	-	9,628,569	-	9,628,569
<b>Total revenue</b>	-	<b>9,628,569</b>	-	<b>9,628,569</b>
<b>Timing of revenue recognition</b>				
Over time	-	9,628,569	-	9,628,569
<b>Total revenue</b>	-	<b>9,628,569</b>	-	<b>9,628,569</b>
Finance costs	63,892	198,640	(1,961)	196,679
Depreciation and amortisation	10,988	872,164	-	872,164
Share of profit of investments in associate and joint ventures	1,669	135,876	-	135,876
Segment profit (loss) before income tax	(134,798)	400,243	(475)	399,768
Other material non-cash items:				
Reversal of impairment loss on property, plant and equipment	-	9,127	-	9,127
Reversal of expected credit loss	-	688	-	688
Capital expenditures	3,217	394,080	-	394,080
Segment assets	4,992,837	16,150,011	(3,946,699)	12,203,312
Segment liabilities	1,945,766	12,182,673	(5,817,961)	6,364,712

<b>Consolidated financial statements</b>					
<b>For the year ended 31 December 2022</b>					
<b>Subsea group</b>	<b>Holding</b>	<b>Total</b>		<b>Elimination</b>	<b>Group</b>
		<i>(in thousand Baht)</i>			
<b>Disaggregation of revenue</b>					
<b>Primary geographical markets</b>					
Saudi Arabia	-	4,633,651		-	4,633,651
Thailand	-	1,052,601		-	1,052,601
Malaysia	-	844,789		-	844,789
Qatar	-	419,433		-	419,433
United Kingdom	-	400,597		-	400,597
United Arab Emirates	-	379,858		-	379,858
Myanmar	-	174,825		-	174,825
<b>Total revenue</b>	-	<b>7,905,754</b>		-	<b>7,905,754</b>
<b>Major products/service lines</b>					
Providing services	-	7,905,754		-	7,905,754
<b>Total revenue</b>	-	<b>7,905,754</b>		-	<b>7,905,754</b>
<b>Timing of revenue recognition</b>					
Over time	-	7,905,754		-	7,905,754
<b>Total revenue</b>	-	<b>7,905,754</b>		-	<b>7,905,754</b>
Finance costs	13,449	121,720		(3,543)	118,177
Depreciation and amortisation	11,660	663,848		-	663,848
Share of profit of investments in associate and joint ventures	182	100,145		-	100,145
Segment profit (loss) before income tax	(160,873)	91,841		-	91,841
Other material non-cash items:					
Reversal of expected credit loss	-	18,381		-	18,381
Capital expenditures	1,244	525,106		-	525,106
Segment assets	4,106,427	13,287,823		(3,213,197)	10,074,626
Segment liabilities	368,539	9,049,750		(4,537,594)	4,512,156

(b) *Geographical information*

Segments Subsea and Holding are managed on a worldwide basis but mainly operate and provide services in Thailand, Qatar, United Arab Emirates and Saudi Arabia.

In presenting information on the basis of geographical segments, assets are based on the geographical location of the assets.

<i>Geographical information</i>	<b>Assets</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Thailand	250,098	208,954	8,559,182	7,221,948
Saudi Arabia	68,989	66,564	2,361,031	2,300,612
United Arab Emirates	21,434	8,048	733,542	278,158
Qatar	13,968	634	478,031	21,913
United Kingdom	1,856	6,662	63,518	230,255
Singapore	160	231	5,476	7,984
Malaysia	64	389	2,190	13,445
Cayman	6	5	205	173
Mauritius	4	4	137	138
<b>Total</b>	<b>356,579</b>	<b>291,491</b>	<b>12,203,312</b>	<b>10,074,626</b>

(c) *Major customers*

Revenues from the major customers of the Group's segments Subsea represents approximately US Dollar 162.7 million (2022: US Dollar 143.8 million) of the Group's total revenues.

**15 Expenses by nature***Accounting policy*

The Group recognises expenses as disclosed in note 6, 9-11, 13-14.

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b>Expenses included in costs of rendering of services</b>				
Crew, staff and subcontractor costs	94,899	75,046	3,309,909	2,638,619
Vessel expenses and repair and maintenance expenses	73,518	51,492	2,571,948	1,817,444
Charter hire and equipment rental	35,699	47,588	1,254,486	1,670,405
Depreciation	23,061	17,259	802,776	611,103
Mobilisation/demobilisation expense	11,282	9,906	392,988	350,599
Recharge expenses related to services provided	4,277	5,189	149,143	177,866
<b>Total</b>	<b>242,736</b>	<b>206,480</b>	<b>8,481,250</b>	<b>7,266,036</b>

<b>Consolidated financial statements</b>				
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Expenses included in administrative expense</b>				
Employee benefit expense	13,098	10,423	455,852	364,434
Professional fees	2,265	1,329	78,740	46,171
Depreciation and amortisation	1,992	1,467	69,388	52,745
Travelling expenses	760	618	26,451	21,687
Withholding tax not recoverable	641	375	22,252	13,409
Office and office equipment rental	429	222	15,002	7,266
Bank charge	348	130	12,132	4,798
(Reversal of) expected credit loss	21	(505)	688	(18,381)
Others	1,440	1,393	50,156	48,829
<b>Total</b>	<b>20,994</b>	<b>15,452</b>	<b>730,661</b>	<b>540,958</b>
<b>Separate financial statements</b>				
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Expenses included in administrative expense</b>				
Employee benefit expense	2,588	2,168	90,227	75,818
Professional fees	563	192	19,589	6,365
Depreciation and amortisation	316	333	10,988	11,659
Travelling expenses	36	61	1,252	2,180
Others	533	477	18,562	16,668
<b>Total</b>	<b>4,036</b>	<b>3,231</b>	<b>140,618</b>	<b>112,690</b>

## 16 Income tax

### *Accounting policy*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of 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 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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. 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.

<i>Income tax recognized in profit or loss</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b>Current tax expense</b>				
Current taxes	1,040	2,179	37,215	79,295
Adjustment for prior year	537	-	18,689	-
	<b>1,577</b>	<b>2,179</b>	<b>55,904</b>	<b>79,295</b>
<b>Deferred tax benefit</b>				
Movement in temporary differences	(57)	(594)	(2,026)	(21,610)
<b>Total</b>	<b>1,520</b>	<b>1,585</b>	<b>53,878</b>	<b>57,685</b>

	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
<b>Deferred tax benefit</b>				
Movement in temporary differences	(12)	(2)	(434)	(73)
<b>Total</b>	<b>(12)</b>	<b>(2)</b>	<b>(434)</b>	<b>(73)</b>

<i>Income tax</i>	<b>Consolidated financial statements</b>					
	2023			2022		
	Before tax <i>(Note 13)</i>	Tax expense	Net of tax <i>(in thousand US Dollar)</i>	Before tax <i>(Note 13)</i>	Tax expense	Net of tax
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	(1)	-	(1)	(19)	(54)	(73)
<b>Total</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(19)</b>	<b>(54)</b>	<b>(73)</b>

<i>Income tax</i>	<b>Consolidated financial statements</b>					
	2023			2022		
	Before tax <i>(Note 13)</i>	Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax <i>(Note 13)</i>	Tax expense	Net of tax
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	(35)	-	(35)	(692)	(1,964)	(2,656)
<b>Total</b>	<b>(35)</b>	<b>-</b>	<b>(35)</b>	<b>(692)</b>	<b>(1,964)</b>	<b>(2,656)</b>

<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Profit before income tax - accounting	11,184	1,923	399,768	91,841
Tax at the domestic rate of 20%	2,237	385	79,954	18,368
Effect of difference tax rate in foreign jurisdictions	(2,801)	1,361	(97,481)	47,718
Income not subject to tax and additional taxable expenses	(21)	(48)	(731)	(1,683)
Expenses not deductible for tax purposes	57	484	861	14,214
Recognition of previously unrecognised temporary differences	-	(414)	-	(14,515)
Utilisation of previously unrecognised tax losses	(1,354)	(517)	(47,122)	(18,127)
Tax losses and temporary differences for which no deferred income tax were recognised	2,750	611	95,706	21,422
Adjustments in respect of prior year	537	-	18,689	-
Remeasurement of gain on exchange rate of US Dollar financial statement	223	(349)	7,761	(12,236)
Remeasurement of loss on exchange rate of Thai Baht financial statement	(108)	72	(3,759)	2,524
<b>Total income tax expense</b>	<b>1,520</b>	<b>1,585</b>	<b>53,878</b>	<b>57,685</b>
The average effective tax rate	14%	82%	13%	63%
<i>Reconciliation of effective tax rate</i>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand US Dollar)</i>	2023 <i>(in thousand Baht)</i>	2022 <i>(in thousand Baht)</i>
Loss before income tax - accounting	(3,239)	(4,072)	(109,362)	(139,112)
Tax at the domestic rate of 20%	(648)	(815)	(21,872)	(27,822)
Expenses not deductible for tax purposes	70	4	1,741	(615)
Tax losses for which no deferred income tax assets were recognised	842	314	29,303	11,009
Remeasurement of loss on exchange rate of US Dollar financial statement	(168)	423	(5,847)	14,831
Remeasurement of loss on exchange rate of Thai Baht financial statement	(108)	72	(3,759)	2,524
<b>Total income tax expense (benefit)</b>	<b>(12)</b>	<b>(2)</b>	<b>(434)</b>	<b>(73)</b>
The average effective tax rate	0%	0%	0%	0%

The average effective tax rate is calculated including taxes due from overseas operations.

Deferred tax <i>As at 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>			
Total	657	616	(3)	(19)
Set off of tax	(2)	-	2	-
<b>Net deferred tax assets (liabilities)</b>	<b>655</b>	<b>616</b>	<b>(1)</b>	<b>(19)</b>

Deferred tax <i>As at 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Total	22,484	21,290	(102)	(657)
Set off of tax	(68)	-	68	-
<b>Net deferred tax assets (liabilities)</b>	<b>22,416</b>	<b>21,290</b>	<b>(34)</b>	<b>(657)</b>

Deferred tax <i>As at 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>			
Total	73	63	(2)	(4)
Set off of tax	(2)	(4)	2	4
<b>Net deferred tax assets</b>	<b>71</b>	<b>59</b>	<b>-</b>	<b>-</b>

Deferred tax <i>As at 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Total	2,498	2,177	(68)	(138)
Set off of tax	(68)	(138)	68	138
<b>Net deferred tax assets</b>	<b>2,430</b>	<b>2,039</b>	<b>-</b>	<b>-</b>

Deferred tax	Consolidated financial statements			
	At 1 January	(Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
	<i>(in thousand US Dollar)</i>			
<b>2023</b>				
<b>Deferred tax assets</b>				
Lease	95	117	-	212
Provisions	188	(119)	-	69
Retirement benefits obligation	333	43	-	376
<b>Total</b>	<b>616</b>	<b>41</b>	<b>-</b>	<b>657</b>
<b>Deferred tax liabilities</b>				
Lease	(4)	2	-	(2)
Property, plant and equipment	(15)	14	-	(1)
<b>Total</b>	<b>(19)</b>	<b>16</b>	<b>-</b>	<b>(3)</b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b> (Charged) / Credited to			
	<b>At 1 January</b>	Profit or loss	Other comprehensive income	<b>At 31 December</b>
		<i>(in thousand US Dollar)</i>		
<b>2022</b>				
<b>Deferred tax assets</b>				
Lease	-	95	-	95
Provisions	-	188	-	188
Retirement benefits obligation	57	330	(54)	333
<b>Total</b>	<b>57</b>	<b>613</b>	<b>(54)</b>	<b>616</b>
<b>Deferred tax liabilities</b>				
Lease	-	(4)	-	(4)
Property, plant and equipment	-	(15)	-	(15)
<b>Total</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>(19)</b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b> (Charged) / Credited to				
	<b>At 1 January</b>	Profit or loss	Other comprehensive income	Translation adjustments	<b>At 31 December</b>
		<i>(in thousand Baht)</i>			
<b>2023</b>					
<b>Deferred tax assets</b>					
Lease	3,283	4,117	-	(145)	7,255
Provisions	6,498	(4,242)	-	105	2,361
Retirement benefits obligation	11,509	1,584	-	(225)	12,868
<b>Total</b>	<b>21,290</b>	<b>1,459</b>	<b>-</b>	<b>(265)</b>	<b>22,484</b>
<b>Deferred tax liabilities</b>					
Lease	(138)	68	-	2	(68)
Property, plant and equipment	(519)	499	-	(14)	(34)
<b>Total</b>	<b>(657)</b>	<b>567</b>	<b>-</b>	<b>(12)</b>	<b>(102)</b>
<b>2022</b>					
<b>Deferred tax assets</b>					
Lease	-	3,456	-	(173)	3,283
Provisions	-	6,840	-	(342)	6,498
Retirement benefits obligation	1,905	12,006	(1,964)	(438)	11,509
<b>Total</b>	<b>1,905</b>	<b>22,302</b>	<b>(1,964)</b>	<b>(953)</b>	<b>21,290</b>
<b>Deferred tax liabilities</b>					
Lease	-	(146)	-	8	(138)
Property, plant and equipment	-	(546)	-	27	(519)
<b>Total</b>	<b>-</b>	<b>(692)</b>	<b>-</b>	<b>35</b>	<b>(657)</b>

<i>Deferred tax</i>	Separate financial statements (Charged) / Credited to			At 31 December
	At 1 January	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income	
<b>2023</b>				
<i>Deferred tax assets</i>				
Retirement benefits obligation	63	10	-	73
<b>Total</b>	<b>63</b>	<b>10</b>	<b>-</b>	<b>73</b>
<i>Deferred tax liabilities</i>				
Lease	(4)	2	-	(2)
<b>Total</b>	<b>(4)</b>	<b>2</b>	<b>-</b>	<b>(2)</b>
<b>Net</b>	<b>59</b>	<b>12</b>	<b>-</b>	<b>71</b>
<b>2022</b>				
<i>Deferred tax assets</i>				
Retirement benefits obligation	57	6	-	63
<b>Total</b>	<b>57</b>	<b>6</b>	<b>-</b>	<b>63</b>
<i>Deferred tax liabilities</i>				
Lease	-	(4)	-	(4)
<b>Total</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
<b>Net</b>	<b>57</b>	<b>2</b>	<b>-</b>	<b>59</b>

<i>Deferred tax</i>	Separate financial statements (Charged) / Credited to				At 31 December
	At 1 January	Profit or loss	Other comprehensive income	Translation adjustments	
<i>(in thousand Baht)</i>					
<b>2023</b>					
<i>Deferred tax assets</i>					
Retirement benefits obligation	2,177	366	-	(45)	2,498
<b>Total</b>	<b>2,177</b>	<b>366</b>	<b>-</b>	<b>(45)</b>	<b>2,498</b>
<i>Deferred tax liabilities</i>					
Lease	(138)	68	-	2	(68)
<b>Total</b>	<b>(138)</b>	<b>68</b>	<b>-</b>	<b>2</b>	<b>(68)</b>
<b>Net</b>	<b>2,039</b>	<b>434</b>	<b>-</b>	<b>(43)</b>	<b>2,430</b>

<i>Deferred tax</i>	<b>Separate financial statements</b> (Charged) / Credited to				<b>At 31 December</b>
	<b>At 1 January</b>	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Translation adjustments	
<b>2022</b>					
<b>Deferred tax assets</b>					
Retirement benefits obligation	1,905	218	-	54	2,177
<b>Total</b>	<b>1,905</b>	<b>218</b>	<b>-</b>	<b>54</b>	<b>2,177</b>
<b>Deferred tax liabilities</b>					
Lease	-	(145)	-	7	(138)
<b>Total</b>	<b>-</b>	<b>(145)</b>	<b>-</b>	<b>7</b>	<b>(138)</b>
<b>Net</b>	<b>1,905</b>	<b>73</b>	<b>-</b>	<b>61</b>	<b>2,039</b>

<i>Unrecognised deferred tax assets</i>	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Tax losses	15,148	14,974	527,184	525,008
Impairment losses on property, plant and equipment and related supplies and spare parts	3,202	4,602	111,437	161,352
Allowance for expected credit loss	4,578	4,568	159,324	160,160
Impairment losses on goodwill	2,027	2,027	70,544	71,069
Retirement benefits obligation	53	56	1,845	1,963
<b>Total</b>	<b>25,008</b>	<b>26,227</b>	<b>870,334</b>	<b>919,552</b>

<i>Unrecognised deferred tax assets</i>	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar)</i>	2022	2023 <i>(in thousand Baht)</i>	2022
Impairment losses on investments in subsidiaries	22,439	22,439	780,927	786,741
Allowance for expected credit loss	11,578	11,485	402,940	402,679
Tax losses	2,295	1,930	79,871	67,668
<b>Total</b>	<b>36,312</b>	<b>35,854</b>	<b>1,263,738</b>	<b>1,257,088</b>

The tax losses will expire from 2024-2028. 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.

## 17 Earnings per share

### *Accounting policy*

Basic earnings per share (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.

	<b>Consolidated financial statements</b>			
	2023 <i>(in thousand US Dollar/ thousand shares)</i>	2022 <i>(in thousand US Dollar/ thousand shares)</i>	2023 <i>(in thousand Baht/ thousand shares)</i>	2022 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b>9,593</b>	<b>(195)</b>	<b>343,380</b>	<b>14,761</b>
<b>Number of ordinary shares outstanding (basic)</b>	<b>1,413,329</b>	<b>1,413,329</b>	<b>1,413,329</b>	<b>1,413,329</b>
<b>Earnings (losses) per share (basic)</b>	<i>(in US dollar)</i> <b>0.0068</b>	<i>(in US dollar)</i> <b>(0.0001)</b>	<i>(in Baht)</i> <b>0.2430</b>	<i>(in Baht)</i> <b>0.0104</b>

	<b>Separate financial statements</b>			
	2023 <i>(in thousand US Dollar/ thousand shares)</i>	2022 <i>(in thousand US Dollar/ thousand shares)</i>	2023 <i>(in thousand Baht/ thousand shares)</i>	2022 <i>(in thousand Baht/ thousand shares)</i>
<b>Loss attributable to ordinary shareholders of the Company (basic)</b>	<b>(3,227)</b>	<b>(4,070)</b>	<b>(108,928)</b>	<b>(139,039)</b>
<b>Number of ordinary shares outstanding (basic)</b>	<b>1,413,329</b>	<b>1,413,329</b>	<b>1,413,329</b>	<b>1,413,329</b>
<b>Losses per share (basic)</b>	<i>(in US dollar)</i> <b>(0.0023)</b>	<i>(in US dollar)</i> <b>(0.0029)</b>	<i>(in Baht)</i> <b>(0.0771)</b>	<i>(in Baht)</i> <b>(0.0984)</b>

## 18 Financial instruments

### *Accounting policy*

#### *(1) Classification and measurement*

Other financial assets and financial liabilities (except trade accounts receivables (see note 6) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss 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.

(2) *Derecognition and offset*

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

*Interest rate benchmark reform*

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform. If there were any other additional changes, the Group applied the policies on accounting for modifications to those changes.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) *Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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 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 takes action such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

(4) *Write offs*

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.

(5) *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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability 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, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(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, but 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.

	Consolidated financial statements						
	Carrying amount	Fair value					
<i>At 31 December</i>	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
			<i>(in thousand US Dollar)</i>				
<b>2023</b>							
<b>Financial liabilities</b>							
Long-term borrowings	-	24,196	24,196	-	-	24,993	24,993
<b>Total other financial liabilities</b>	<b>-</b>	<b>24,196</b>	<b>24,196</b>	<b>-</b>	<b>-</b>	<b>24,993</b>	<b>24,993</b>
<b>2022</b>							
<b>Financial liabilities</b>							
Long-term borrowings	-	32,484	32,484	-	-	33,868	33,868
<b>Total other financial liabilities</b>	<b>-</b>	<b>32,484</b>	<b>32,484</b>	<b>-</b>	<b>-</b>	<b>33,868</b>	<b>33,868</b>

	Carrying amount		Consolidated financial statements				Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
<i>At 31 December</i>							
<b>2023</b>							
<b>Financial liabilities</b>							
Long-term borrowings	-	828,067	828,067	-	-	855,343	855,343
<b>Total other financial liabilities</b>	<b>-</b>	<b>828,067</b>	<b>828,067</b>			<b>855,343</b>	
<b>2022</b>							
<b>Financial liabilities</b>							
Long-term borrowings	-	1,122,725	1,122,725	-	-	1,170,599	1,170,599
<b>Total other financial liabilities</b>	<b>-</b>	<b>1,122,725</b>	<b>1,122,725</b>			<b>1,170,599</b>	

(in thousand Baht)

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities held for trading			
Other financial liabilities	Discounted cash flows	Discount rate: (2023: 4.0%-4.8% ;2022: 3.4%-3.9%	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).

(b) *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.

(b.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.

(b.1.1) *Trade accounts receivables*

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 commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Amount due from related parties, 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 amount due from related parties 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 amount due from related parties, 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.

	<b>Consolidated financial statements</b>			Total
	12-months ECL	Lifetime ECL-not credit- impaired	Lifetime ECL- credit- impaired	
<i>(in thousand Dollar)</i>				
<b>At 31 December 2023</b>				
Amount due from related parties	-	237	7,542	7,779
Short-term loans	3,250	-	18,350	21,600
Long-term loans	-	-	498	498
	<b>3,250</b>	<b>237</b>	<b>26,390</b>	<b>29,877</b>
Less allowance for expected credit loss	-	-	(26,390)	(26,390)
<b>Net</b>	<b>3,250</b>	<b>237</b>	<b>-</b>	<b>3,487</b>

	Consolidated financial statements			Total
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	
<b>At 31 December 2022</b>				
Amount due from related parties	-	103	7,542	7,645
Short-term loans	1,250	-	18,350	19,600
Long-term loans	-	-	498	498
	<b>1,250</b>	<b>103</b>	<b>26,390</b>	<b>27,743</b>
Less allowance for expected credit loss	-	-	(26,390)	(26,390)
<b>Net</b>	<b>1,250</b>	<b>103</b>	<b>-</b>	<b>1,353</b>

	Consolidated financial statements			Total
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit- impaired	
<b>At 31 December 2023</b>				
Amount due from related parties	-	8,111	258,112	266,223
Short-term loans	111,226	-	627,998	739,224
Long-term loans	-	-	17,043	17,043
	<b>111,226</b>	<b>8,111</b>	<b>903,153</b>	<b>1,022,490</b>
Less allowance for expected credit loss	-	-	(903,153)	(903,153)
<b>Net</b>	<b>111,226</b>	<b>8,111</b>	<b>-</b>	<b>119,337</b>

<b>At 31 December 2022</b>				
Amount due from related parties	-	3,560	260,670	264,230
Short-term loans	43,203	-	634,220	677,423
Long-term loans	-	-	17,212	17,212
	<b>43,203</b>	<b>3,560</b>	<b>912,102</b>	<b>958,865</b>
Less allowance for expected credit loss	-	-	(912,102)	(912,102)
<b>Net</b>	<b>43,203</b>	<b>3,560</b>	<b>-</b>	<b>46,763</b>

<b>Consolidated financial statements</b>				
<i>Movement of allowance for expected credit loss</i>	Amount due from related parties	Short-term loans (in thousand Dollar)	Long-term loans	Total
<b><i>Lifetime ECL credit impaired</i></b>				
At 1 January 2022	7,542	18,350	498	26,390
<b>At 31 December 2022 and at 1 January 2023</b>	<b>7,542</b>	<b>18,350</b>	<b>498</b>	<b>26,390</b>
<b>At 31 December 2023</b>	<b>7,542</b>	<b>18,350</b>	<b>498</b>	<b>26,390</b>
<b>Consolidated financial statements</b>				
<i>Movement of allowance for expected credit loss</i>	Amount due from related parties	Short-term loans (in thousand Baht)	Long-term loans	Total
<b><i>Lifetime ECL credit impaired</i></b>				
At 1 January 2022	252,053	613,255	16,643	881,951
Translation adjustment	8,617	20,965	569	30,151
<b>At 31 December 2022 and at 1 January 2023</b>	<b>260,670</b>	<b>634,220</b>	<b>17,212</b>	<b>912,102</b>
Translation adjustment	(2,558)	(6,222)	(169)	(8,949)
<b>At 31 December 2023</b>	<b>258,112</b>	<b>627,998</b>	<b>17,043</b>	<b>903,153</b>
<b>Separate financial statements</b>				
	12-months ECL	Lifetime ECL-not credit-impaired (in thousand Dollar)	Lifetime ECL-credit-impaired	Total
<b><i>At 31 December 2023</i></b>				
Amount due from related parties	-	394	4,476	4,870
Short-term loans	3,250	-	11,032	14,282
Other non-current receivable	-	-	70,077	70,077
Long-term loan	-	-	68,574	68,574
	<b>3,250</b>	<b>394</b>	<b>154,159</b>	<b>157,803</b>
Less allowance for expected credit loss	-	-	(57,888)	(57,888)
<b>Net</b>	<b>3,250</b>	<b>394</b>	<b>96,271</b>	<b>99,915</b>

	Separate financial statements			Total
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	
<b>At 31 December 2022</b>				
Amount due from related parties	-	253	4,246	4,499
Short-term loans	1,250	-	6,832	8,082
Other non-current receivable	-	-	51,966	51,966
Long-term loan	-	-	52,485	52,485
	<b>1,250</b>	<b>253</b>	<b>115,529</b>	<b>117,032</b>
Less allowance for expected credit loss	-	-	(57,423)	(57,423)
<b>Net</b>	<b>1,250</b>	<b>253</b>	<b>58,106</b>	<b>59,609</b>
<b>At 31 December 2023</b>				
	12-months ECL	Lifetime ECL- not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit- impaired	Total
Amount due from related parties	-	13,484	153,184	166,668
Short-term loans	111,226	-	377,551	488,777
Other non-current receivable	-	-	2,398,266	2,398,266
Long-term loan	-	-	2,346,829	2,346,829
	<b>111,226</b>	<b>13,484</b>	<b>5,275,830</b>	<b>5,400,540</b>
Less allowance for expected credit loss	-	-	(1,981,118)	(1,981,118)
<b>Net</b>	<b>111,226</b>	<b>13,484</b>	<b>3,294,712</b>	<b>3,419,422</b>
<b>At 31 December 2022</b>				
Amount due from related parties	-	8,744	146,751	155,495
Short-term loans	43,203	-	236,130	279,333
Other non-current receivable	-	-	1,796,070	1,796,070
Long-term loan	-	-	1,814,008	1,814,008
	<b>43,203</b>	<b>8,744</b>	<b>3,992,959</b>	<b>4,044,906</b>
Less allowance for expected credit loss	-	-	(1,984,677)	(1,984,677)
<b>Net</b>	<b>43,203</b>	<b>8,744</b>	<b>2,008,282</b>	<b>2,060,229</b>

<i>Movement of allowance for expected credit loss</i>	Amount due from related parties	Separate financial statements			Total
		Short-term loans	Other non-current receivable	Long-term loans	
<i>(in thousand Dollar)</i>					
<b><i>Lifetime ECL credit impaired</i></b>					
At 1 January 2022	2,809	6,127	27,544	22,565	59,045
Unrealised losses on exchange	-	-	(909)	(713)	(1,622)
<b>At 31 December 2022 and at 1 January 2023</b>	<b>2,809</b>	<b>6,127</b>	<b>26,635</b>	<b>21,852</b>	<b>57,423</b>
Unrealised losses on exchange	-	-	253	212	465
<b>At 31 December 2023</b>	<b>2,809</b>	<b>6,127</b>	<b>26,888</b>	<b>22,064</b>	<b>57,888</b>

<i>Movement of allowance for expected credit loss</i>	Amount due from related parties	Separate financial statements			Total
		Short-term loans	Other non-current receivable	Long-term loans	
<i>(in thousand Baht)</i>					
<b><i>Lifetime ECL credit impaired</i></b>					
At 1 January 2022	93,876	204,764	920,518	754,120	1,973,278
Unrealised losses on exchange	-	-	(30,369)	(23,818)	(54,187)
Translation adjustment	3,210	7,000	30,421	24,955	65,586
<b>At 31 December 2022 and at 1 January 2023</b>	<b>97,086</b>	<b>211,764</b>	<b>920,570</b>	<b>755,257</b>	<b>1,984,677</b>
Unrealised losses on exchange	-	-	9,020	7,558	16,578
Translation adjustment	(953)	(2,078)	(9,394)	(7,712)	(20,137)
<b>At 31 December 2023</b>	<b>96,133</b>	<b>209,686</b>	<b>920,196</b>	<b>755,103</b>	<b>1,981,118</b>

## (b.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.

## (b.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2023, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

## (b.2) 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.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<b>Consolidated financial statements</b>				
Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less <i>(in thousand Dollar)</i>	More than 1 years but less than 5 years	Total
<b>2023</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Trade and other accounts payable	77,797	77,797	-	77,797
Borrowings from parent company	54,000	29,000	25,000	54,000
Borrowings from financial institution	27,260	20,493	6,767	27,260
Lease liabilities	21,564	9,211	12,353	21,564
	<b><u>180,621</u></b>	<b><u>136,501</u></b>	<b><u>44,120</u></b>	<b><u>180,621</u></b>
<b>2022</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Trade and other accounts payable	54,178	54,178	-	54,178
Borrowings from parent company	9,000	9,000	-	9,000
Borrowings from financial institution	32,484	14,209	18,275	32,484
Lease liabilities	29,812	8,683	21,129	29,812
	<b><u>125,474</u></b>	<b><u>86,070</u></b>	<b><u>39,404</u></b>	<b><u>125,474</u></b>

<b>Consolidated financial statements</b>				
Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less <i>(in thousand Baht)</i>	More than 1 years but less than 5 years	Total
<b>2023</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Trade and other accounts payable	2,662,469	2,662,469	-	2,662,469
Borrowings from parent company	1,848,059	992,476	855,583	1,848,059
Borrowings from financial institution	932,927	701,338	231,589	932,927
Lease liabilities	737,991	315,231	422,760	737,991
	<b><u>6,181,446</u></b>	<b><u>4,671,514</u></b>	<b><u>1,509,932</u></b>	<b><u>6,181,446</u></b>
<b>2022</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Trade and other accounts payable	1,872,521	1,872,521	-	1,872,521
Borrowings from parent company	311,062	311,062	-	311,062
Borrowings from financial institution	1,122,725	491,097	631,628	1,122,725
Lease liabilities	1,030,374	300,105	730,269	1,030,374
	<b><u>4,336,682</u></b>	<b><u>2,974,785</u></b>	<b><u>1,361,897</u></b>	<b><u>4,336,682</u></b>

<i>At 31 December</i>	<b>Separate financial statements</b>			
	Carrying amount	Contractual cash flows		Total
		1 year or less <i>(in thousand Dollar)</i>	More than 1 years but less than 5 years	
<b>2023</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Other accounts payable	1,620	1,620	-	1,620
Borrowings from parent company	54,000	29,000	25,000	54,000
Lease liabilities	439	33	406	439
	<b><u>56,059</u></b>	<b><u>30,653</u></b>	<b><u>25,406</u></b>	<b><u>56,059</u></b>
<b>2022</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Other accounts payable	706	706	-	706
Borrowings from parent company	9,000	9,000	-	9,000
Lease liabilities	245	106	139	245
	<b><u>9,951</u></b>	<b><u>9,812</u></b>	<b><u>139</u></b>	<b><u>9,951</u></b>

<i>At 31 December</i>	<b>Separate financial statements</b>			
	Carrying amount	Contractual cash flows		Total
		1 year or less <i>(in thousand Baht)</i>	More than 1 years but less than 5 years	
<b>2023</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Other accounts payable	55,442	55,442	-	55,442
Borrowings from parent company	1,848,059	992,476	855,583	1,848,059
Lease liabilities	15,024	1,129	13,895	15,024
	<b><u>1,918,525</u></b>	<b><u>1,049,047</u></b>	<b><u>869,478</u></b>	<b><u>1,918,525</u></b>
<b>2022</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Other accounts payable	24,401	24,401	-	24,401
Borrowings from parent company	311,062	311,062	-	311,062
Lease liabilities	8,468	3,664	4,804	8,468
	<b><u>343,931</u></b>	<b><u>339,127</u></b>	<b><u>4,804</u></b>	<b><u>343,931</u></b>



<b>Consolidated financial statements</b>					
<b><i>Impact to profit or loss</i></b>	<b>Movement (%)</b>	<b>Profit or loss</b>		<b>Profit or loss</b>	
		<b>Strengthening (in thousand US Dollar)</b>	<b>Weakening</b>	<b>Strengthening (in thousand Baht)</b>	<b>Weakening</b>
<b>2023</b>					
Thai Baht	10	(1,166)	954	(39,913)	32,656
The United Arab Emirates Dirham	10	(105)	86	(3,590)	2,938
Great British Pound	10	82	(67)	2,793	(2,285)
Saudi Arabia Riyal	10	1,719	(1,406)	58,819	(48,124)
<b>2022</b>					
Thai Baht	10	(540)	442	(18,654)	15,262
The United Arab Emirates Dirham	10	(122)	99	(4,200)	3,437
Great British Pound	10	(105)	86	(3,622)	2,964
Saudi Arabia Riyal	10	1,446	(1,183)	49,993	(40,903)
<b>Separate financial statements</b>					
<b><i>Impact to profit or loss</i></b>	<b>Movement (%)</b>	<b>Profit or loss</b>		<b>Profit or loss</b>	
		<b>Strengthening (in thousand US Dollar)</b>	<b>Weakening</b>	<b>Strengthening (in thousand Baht)</b>	<b>Weakening</b>
<b>2023</b>					
Thai Baht	10	(5,081)	(4,157)	(173,789)	(142,264)
<b>2022</b>					
Thai Baht	10	3,336	(2,730)	115,307	(94,343)

## (b.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 (see note 12) are mainly variable. So, the Group is primarily exposed to interest rate risk.

<b><i>Exposure to interest rate risk At 31 December</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<i>(in thousand US Dollar)</i>			
<b><i>Financial instruments with variable interest rates</i></b>				
Long-term borrowings from financial institution	<u>24,196</u>	<u>32,484</u>	<u>828,067</u>	<u>1,122,725</u>

## 19 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 regularly monitors the return on capital.

## 20 Guarantees

As at 31 December 2023 and 2022, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements								
	2023					2022			
	thousand Baht	thousand USD	thousand GBP	thousand QAR	thousand AED	thousand Baht	thousand USD	thousand QAR	
Letters of guarantee issued by financial institutions in the normal course of business	39,200	25,233	2,310	25	50	78,925	26,063	25	
Guarantee for short-term borrowing of subsidiary to financial institution	-	3,064	-	-	-	-	-	-	
Guarantee for long-term borrowings of subsidiary to financial institution	-	24,261	-	-	-	-	32,583	-	
	Separate financial statements								
	2023				2022				
	thousand USD				thousand USD				
Guarantee for long-term loans of subsidiaries to financial institutions	24,261				32,583				

## 21 Other events

The Group, through its other indirect subsidiary Seascope Surveys Pte. Ltd. (“SSS”), is a party to or involved in a legal proceeding 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 SSS alleging that the defendants and co-defendants had engaged in unlawful acts related to the transfer of ownership of 368 (46%) shares in PTSSI. The trial will proceed to the hearing of lawsuit.

## 22 Commitments with non-related parties

	Consolidated financial statements			
	2023	2022	2023	2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Other commitments</b>				
Short-term lease commitments	373	256	12,765	8,848
Long-term lease commitments	74	120	2,533	4,147
<b>Total</b>	<b>447</b>	<b>376</b>	<b>15,298</b>	<b>12,995</b>

## THE COMPANY

<b>Name of Company</b>	Mermaid Maritime Public Company Limited
<b>Place of Incorporation</b>	Kingdom of Thailand
<b>Registration No.</b>	0107550000017
<b>In Business Since</b>	1983
<b>Public Company Since</b>	15 January 2007
<b>Date of Listing</b>	16 October 2007
<b>Place of Listing</b>	Singapore Stock Exchange
<b>Company Secretary</b>	Miss Warangkana Tewapunkul
<b>Corporate Head Office (Location of Register of Securities)</b>	No. 26/28-29, Orakarn Building, 9th Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand
<b>Telephone</b>	+662 255 3115 (local dial 02 255 3115) +662 255 3116 (local dial 02 255 3116)
<b>Facsimile</b>	+662 255 1079 (local dial 02 255-1079)
<b>Type of Business</b>	Subsea Engineering Services, T&I and Decommissioning Services and Investments
<b>Registered Capital</b>	Baht 1,416,700,697
<b>Paid-up Capital</b>	Baht 1,413,328,857
<b>No. of Issued Shares</b>	1,413,328,857 ordinary shares
<b>Par Value/Share</b>	Baht 1
<b>Corporate Website:</b>	<a href="http://www.mermaid-group.com">http://www.mermaid-group.com</a>
<b>Investor Relations E-mail:</b>	<a href="mailto:ir@mermaid-group.com">ir@mermaid-group.com</a>



**MERMAID**

**Mermaid Maritime Public Company Limited**

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