

ANNUAL REPORT 2022

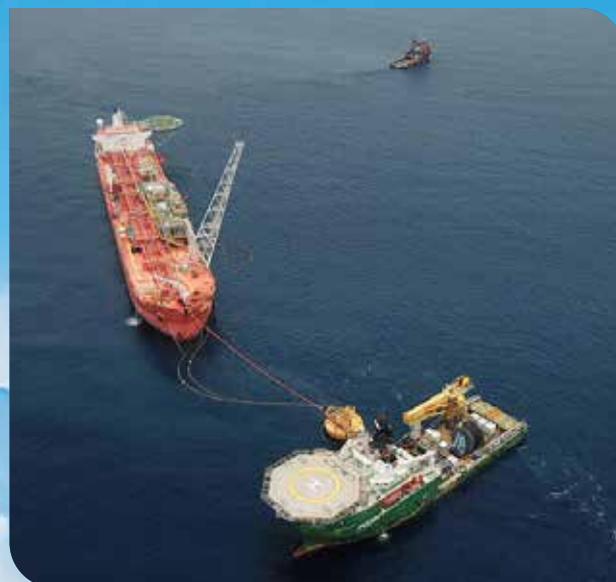


MERMAID



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FINANCIAL HIGHLIGHTS

(Consolidated numbers)

	Unit	Year Ended 31 December		
		2020	2021	2022
Revenue from rendering of services	Thousand USD	83,779	111,592	223,935
EBITDA*	Thousand USD	(11,761)	(294)	21,069
Net profits (losses)	Thousand USD	(109,594)	(15,671)	338
Normalised profits (losses)*	Thousand USD	(29,842)	(16,929)	338
Book value per share	USD	0.13	0.11	0.11
Return on shareholders' equity	%	(47.21)	(9.27)	0.21
Net profits (losses) margin	%	(130.81)	(14.04)	0.15
Total debt to total capitalisation	times	0.24	0.24	0.20
Net gearing**	%	0.42	20.32	15.71

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

** Excluded lease liabilities

SERVICE INCOME

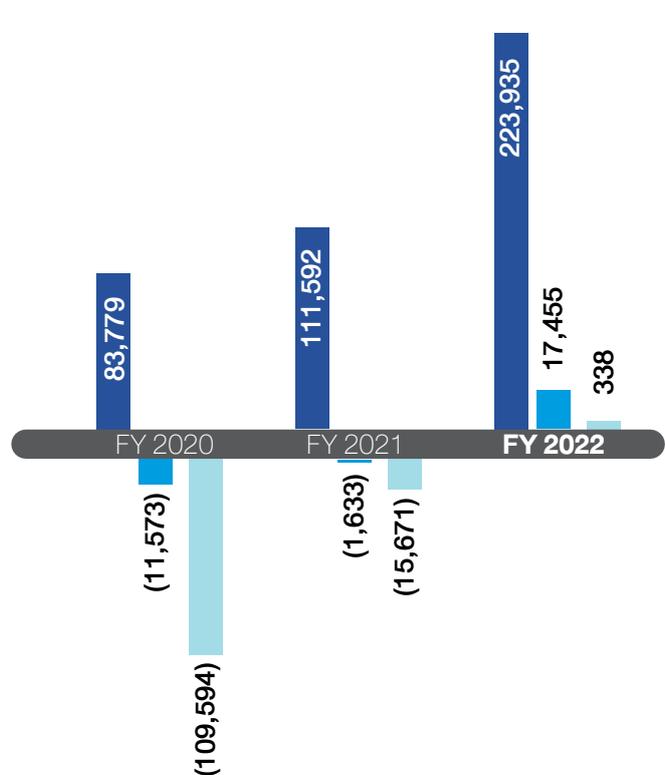
Unit : in thousand US Dollars



- Subsea IRM and Surveys Services
- Cable Laying and Engineering Services
- T&I and Decommissioning Services

NET PROFIT

Unit : in thousand US Dollars



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



MESSAGE FROM THE CHAIRMAN

DEAR VALUE SHAREHOLDERS,

I am pleased to present our annual report for the year 2022. The past year of energy reemergence has been a challenging one for the energy sector, notwithstanding the same combined with the remaining challenges posed by the Covid-19 pandemic, Mermaid has remained resolute and fortified our resolve to deliver solid results and to reposition the Group to the benefit for our valued proponents, and stakeholders alike.



Our cable lay division particularly has been outstanding, and has operated frugally, and effectively. We are proud to have successfully reengaged old clients, who had not worked with us for the past four years. We attribute this success to the changes we made in key Executorship and Project Management. Conclusively, this division has gone a long way in facilitating the reemergence of Mermaid.

Whilst we did not achieve major profitability in 2022, we can boast a wholesale swing back into the black for the first time in four years. More besides, we now have a very positive outlook for 2023. The acquisition of the Millennium 3 has paid major dividends, and the vessel is well-positioned in its market. Our forward book is remains solid, and we continue to build our relationships with Aramco, Saipem, Subsea 7, NPCC and several others. The Aramco project may not show great returns, but it undoubtedly offers us stability in the region and anchors our endeavors throughout the GCC.

Notably, our revenue from rendering of services increased of 100.67% year on year from USD 111.6 million in 2021 to USD 223.9 million in 2022 and we are now reflecting on net profits margin 0.15%, from negative losses of around 14.04%. This growth can be attributed to soke especially strategic positioning, at exactly the right time and this is further vilified by our unwavering commitment in delivering high-quality services to our clients, whilst expanding operations. Additionally, our efforts to improve operational efficiency, and reduce costs have reflected positively in our financial performance.

Our financial bottom-line has also shown a positive trend. Whilst we recorded a loss of USD 15.7 million in 2021, we now significantly report a profit USD 0.3 million for 2022. This reflects a combination of our ground level divisional focus on appropriate management who now have clean focus on quality and direct cost, the action items of which have been implemented with an improved operational fluidity and efficiency, while maintaining our focus on delivering value to our customers.

Our normalised profits also show a considerable positive trend, with a decrease in losses from USD 15.7 million in 2021, all the way through to positive territory in 2022. By any stretch of expectation, this is surely to be seen as an incredibly good outcome.

Net profit margin also improved from a loss of 130.81% in 2020, a loss of 14.04% in 2021 to a profit of 0.15% in 2022. This reflects our commitment to financial discipline and operational efficiency in line with what is captured already above.

Our focus remains on providing excellent service to KSA Aramco and meeting the increased demand for oil in areas where we are already established and have good regional knowledge and strength. Our positioning in the Middle East, West Africa, and Asia Pacific is favorable compared to other companies in the same space, and we have no investment in Russia.

We have made substantial investments in our vessels, the Mermaid Endurer and the Asiana, and we have hired additional vessels and personnel to meet the demands of the Asia market. Our vessels are in the best condition they have been in for years. A safe platform for our employees and our clients.

We remain circumspect in terms of positioning due to the volatility in the oil market and the ongoing conflict in the Ukraine. However, our focus is on becoming part of the solution, not the problem. We believe our positioning will vilify shareholders' investment and are committed to offering a safe and reliable service.

In Asia, the demand for cleaner energy and the relaxation of travel restrictions have led to an increase in energy prices and potential work volume. Mermaid has taken advantage of this situation by building its business unit capability to cover the full life cycle of offshore oil and gas operations, from field development to field retirement. This has enabled us to improve our backlog significantly in the Southeast Asia region, and we will now focus on profitability in 2023.

One of the key factors that contributed to this improvement was the concession transfer activity from a major international oil company to Thailand's national oil company. This has led to a clearer forward pathway for field development and retirement. Despite the challenges posed by the ongoing asset retirement works, Mermaid Subsea Services (Thailand) Ltd. has successfully delivered complex projects to our clients. For example, the first-time execution of a diver-less multistring wellbore hot tapping project and the FSO hose replacement project demonstrated Mermaid's excellent teamwork and good collaboration with clients and their subcontractors.

Furthermore, in 2022, Mermaid made its debut in Malaysia, further strengthening its regional footprint. The company remains focused on continuous improvement to guarantee professionalism in project execution and meet customer requirements.

In the coming year, Mermaid will be focusing on the Transportation and Installation (T&I) and decommissioning activities in the SEA region, where there is a good market opportunity. Due to the short well life cycle characteristics, the asset retirement cycle is expected to occur earlier compared to other locations. Mermaid will also be looking to enhance its relationship with the national oil company, who now operates multiple offshore assets in Thai and Malaysian waters. The company will also be closely monitoring the tendering progress for asset retirement and providing support as much as possible.

In terms of sustainability, Mermaid remains committed, and, in particular, we have made great progress in the war against plastic, as Mermaid successfully salvaged 5.5 tons of plastic nurdles and a further 20 tons of PVC



in resins from the Indian Ocean in 2022. Eliminating frivolous waste and reducing our carbon footprint is high focus for Mermaid. Our commitment to sustainability is evident in the implementation of eco-friendly practices throughout all levels of the organization, from research and development to production and distribution. The salvage of plastic was an especially proud accomplishment for our Company, and we remain driven to contribute to a cleaner and healthier environment for all.

Moreover, I am proud to announce that our safety record has improved year on year, even with the considerably increased number of working hours and the number of jobs. Despite the increase, our safety stats have improved, and we will continue to prioritize the safety of our people, plant, and equipment.

Going forward, we are focused on expanding our reach in UK, West Africa, South Africa, and East Africa. We will specifically focus on working with national oil companies and majors, to ensure stability and profitability. Our efforts in the North Sea have already paid off, and we are now looking to improve our profits in Asia. The purchase of cable equipment last year has enabled us to offer a better service to our clients and we are grateful to our shareholders for their support.



In 2021 we increased our business platform by 121%, in 2022 we went up by 168 %, this is an increase of almost 300% over two years, which growth stands well ahead of industry norm. Indeed, Mermaid over the past two years is now positioned as one of the fastest growing companies in our tier on the value chain in the world. Progress was marked by some new, very key developments, and not just by bolstering the old. Incredibly, the new business unit in the UK washed its own face last year - an inordinate achievement considering that that region is the world's most mature Oil and Gas market, and indeed, the UK is now that one space that offers us major expansion opportunities over the short, and intermediate term. Moreover, we successfully re-energized with South Africa and West Africa - a decision which vindicated itself in the very first year, and which segment when normalized, was our most profitable last year power to weight. I am massively proud at how my management team have reignited and rebuilt old relationships with previous clients.

The decision to acquire a 50% share in DP 2 CLB Millennium 3 has arguably proven to be our most invaluable investment in 2022. The barge JV yielding over USD 3.8 million in profit in its own right, and that aside, we made a further USD 10.5 million profits in the Cable space in general in 2022. All this whilst trading to a 100% utilization figure for the unit trading all back-to-back to mid 2021. In Asia, the growth was considerable, but the numbers leaner, and notwithstanding the same, the region remains a value proposition to the company. Now reestablished in Malaysia for the first time in many years, our passage of growth is relentless. Finally, just a parting word as a company at this time, Mermaid takes considerable pride that we honoured all project costings during the COVID-19 pandemic, and we trust that our client's will find value in that level of commitment. A rising tide, absolutely, but do not be fooled by the current, and frivolous talk about a new dawn, since none of momentum will be without headwinds, and what has been achieved by our teams on the ground is downright extraordinary at this time. Picking up the pieces after the shutdowns was always going to present challenges, but my executorship has absolutely pushed us into a better position for 2023.

In conclusion, I would like to thank our shareholders for your trust and support. We are committed to continuous improvement and delivering value to our shareholders. We are confident that our team has the capabilities to achieve our goals and I look forward to sharing our future success with you. I would also like to thank the Management team and employees for their dedication to working at the height of their abilities despite facing various challenges this year.

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”) and cable laying service. Our corporate headquarter is in Asia (Thailand), and we are listed on Singapore Stock Exchange (“SGX”). We have operational bases in the Middle East and South East Asia.

We provide full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. We have been in the offshore business for over 30 years and we are today present in five geographical regions with a team of over 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.

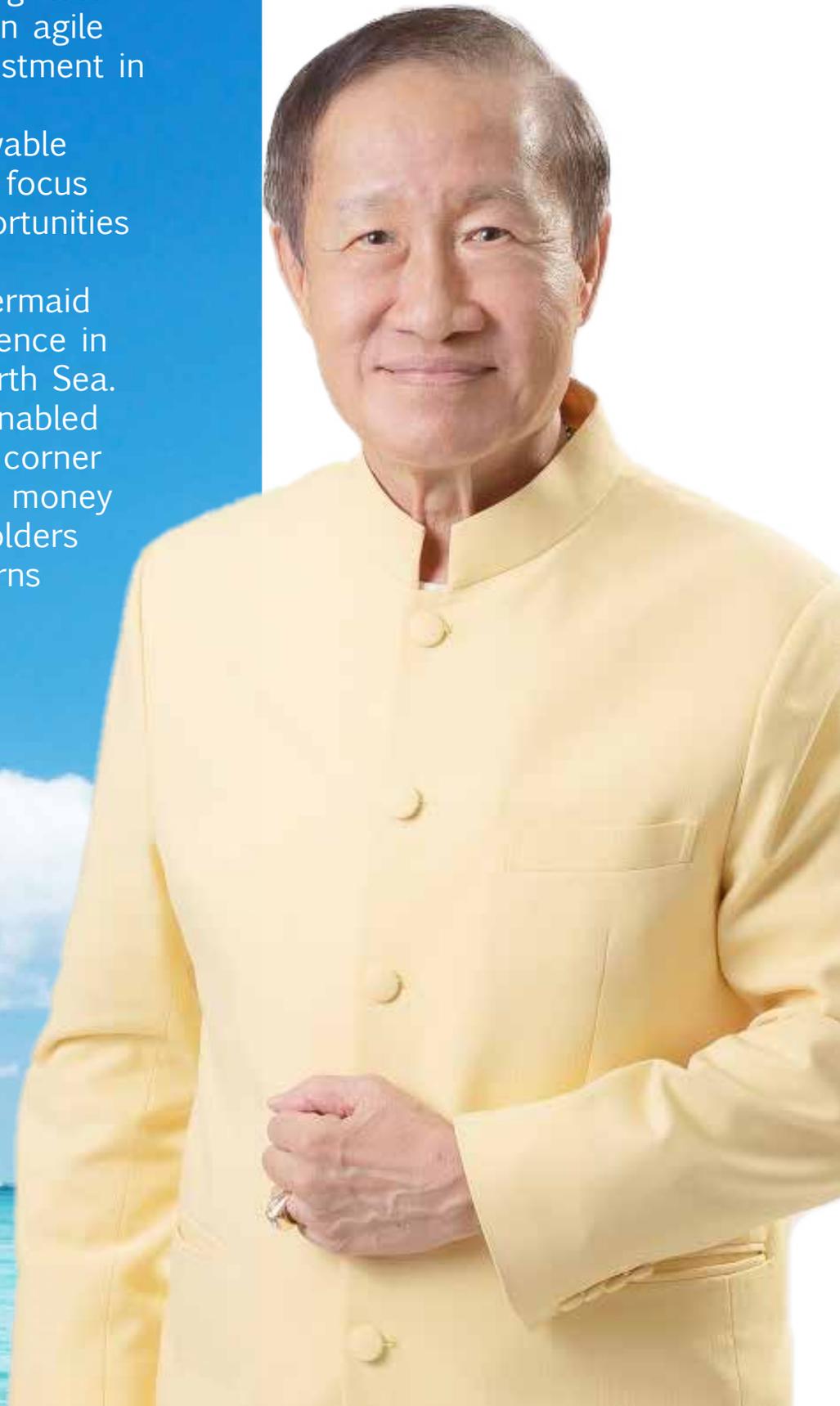




HONORARY ADVISER STATEMENT

As the Subsea sector is facing challenges despite the global economic uptick, Mermaid is reinventing itself and striving to remain agile and fit. With the investment in cable-lay assets for Oil & Gas and renewable energy, along with a focus on seeking new opportunities in Africa, Asia, and decommissioning, Mermaid is solidifying its presence in the GCC and UK/North Sea. These efforts have enabled Mermaid to turn the corner and deliver value for money outcomes to stakeholders while increasing returns for shareholders.

PRAYUDH MAHAGITSIRI
HONORARY ADVISER





THE BOARD OF DIRECTORS



Mr. Prasert Bunsumpun
Non-Executive Chairman
(Age 71)



Mr. Chalermchai Mahagitsiri
Executive Vice Chairman
(Age 44)



Mr. Paul Burger Whiley
Executive Director
(Age 55)

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

Mr. Prasert Bunsumpun brings to Mermaid 30 years of experience in the oil and gas industry. Besides his role in Mermaid, he serves as Chairman of other boards, including Thoresen Thai Agencies Plc., 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 and Personal Data Protection Act, Regnar Corporation Company Limited 2022.

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

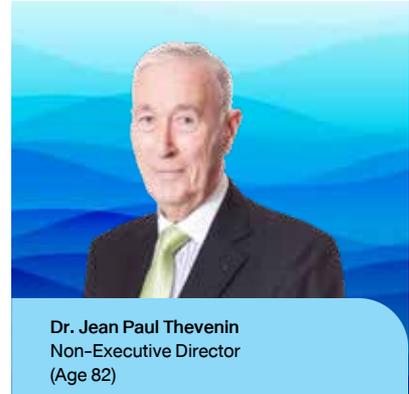
Dr. Jean Paul Thevenin has a Doctorate Degree (Ph.D.) in Metallurgy from Orsay University in France and has produced many publications in the field of steel and the steel industry, where he developed his longstanding career. He also serves as a director of Thoresen Thai Agencies Plc. and PM Thoresen 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 Asiotech Energy Pte Ltd.

Mr. Tay Yu-Jin is the Singapore Office Managing Partner and Head of the Asia international arbitration practice of Mayer Brown LLP, a leading US global law firm. He is based in Singapore and has over 20 years of experience covering disputes arising from a broad range of sectors including energy, oil and gas, M&A/joint venture, construction and infrastructure, mining and natural resources, media, technology and general commercial disputes. In addition to acting as counsel, 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; ranked in the Asia-wide, Singapore, Indonesia, South Korea, and India chapters), Legal 500 (since 2008), Euromoney Guide to the World's Leading Experts in Commercial Arbitration (since 2006) and Benchmark Litigation (Local Disputes Star from 2013). In May 2019, 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 focusing on process and equipment for cement, steel, glass, sugar and energy industries. Prior to that, he had served during 10 years as Managing Director of Stein Industry SA, a subsidiary of Alstom Group from France in South Africa involved with Coal Milling and Combustion Systems for Power Generation and Mining Industries. He obtained a Master Degree in Mining Engineering from Polytechnic University of Silesia in Poland and a Doctorate Degree (Ph.D.) at University of Cape Town in South Africa.

Note: Pursuant to the Articles of Association of the Company, Mr. Jean Paul Thevenin and Mr. Tang Kee Fei are scheduled to retire from the Board by rotation at the next Annual General Meeting of Shareholders No. 01/2023. All two retiring Directors shall be seeking re-election for another term at that general meeting. For additional information on Directors seeking re-election, please refer to the section on "General Disclosures" in this Annual Report.



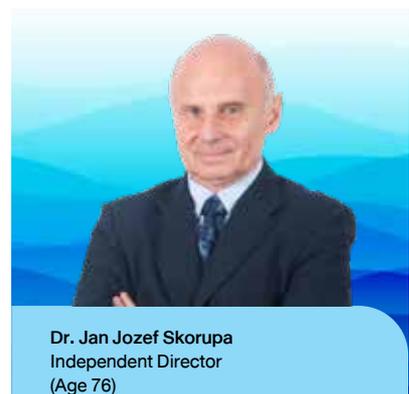
Dr. Jean Paul Thevenin
Non-Executive Director
(Age 82)



Mr. Tang Kee Fei
Independent Director
(Age 67)



Mr. Tay Yu-Jin
Independent Director
(Age 48)



Dr. Jan Jozef Skorupa
Independent Director
(Age 76)



KEY EXECUTIVES



**Mr. Phiboon
Buakhunngamcharoen**
(Chief Financial Officer)

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

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
(Regional Director – Zone 1)

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



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

Mr. Hans Huijskens recently rejoined Mermaid and 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.

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

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 for almost 7 years now and has been instrumental in the ongoing expansion and continual development of Mermaid Subsea Services Saudi Arabia.



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



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



Mr. Scott Cormack joined the company in 2021, following 30 years' experience in the global energy industry, including the oil, gas, nuclear and clean energy sectors. He has been instrumental in the development of MSSUK, consolidating the business's global track record by entering the North Sea energy marketplace just as it undergoes its biggest evolution to date. During his career, Mr. Cormack has built 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 and his strategic and business growth skills have seen him manage \$multi-million 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 MSSUK's business and diving capability, achieving ISO accreditation ahead of significant project work taking place later this year. 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 MSSUK's credentials in this field. Together with a growing team of operational and commercial experts, Mr. Cormack is committed to the continued development of MSSUK's reputation as the subsea sector's leading collaborative partner.





GLOBAL PRESENCE

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

UNITED KINGDOM

Mermaid has a long history of providing assets and services into the European market and established a presence, off the back of this track record, opening an office in Aberdeen in late 2021. Supported by an experienced local team, Mermaid plans to grow steadily across multiple landscapes in the mature North Sea basin providing construction, diving and engineering services in the energy, decommissioning and renewables markets.

MIDDLE EAST

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

AFRICA

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

ASIA PACIFIC AND SOUTH EAST ASIA

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



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YEARS SINCE
MERMAID MARITIME'S
ESTABLISHMENT

1000+

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

6 + 2*

SUBSEA VESSELS

*50.00% OWNERSHIP
THROUGH MILLENNIUM 3
SHIP MANAGEMWNT
AND OPERATIONS DMCCO

3 + 15

SATURATION
AND AIR DIVING
SYSTEMS

11 + 3**

REMOTELY OPERATED
VEHICLES

**50% OWNERSHIP 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, specially designed for operations in severe weather conditions such as the North Sea. The vessel has high manoeuvrability and station keeping capabilities and is equipped with a built in 18-man single bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel has a 100-tonne active heave-compensated knuckle boom crane and accommodation for 86 personnel. The DSV 'Mermaid Endurer' is DNV classed and flies the Panama flag.



MERMAID ASIANA (BUILT IN 2010)

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



MERMAID COMMANDER (BUILT IN 1987)

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



MERMAID SAPPHIRE (BUILT IN 2008)

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



**MERMAID CHALLENGER
 (BUILT IN 2006)**

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



**RESILIENT
 (BUILT IN 2007)**

The Barge Resiliant is a Derrick Pipe Lay Barge with a clear deck area of 1,200 m² and accommodation for up to 284 personnel with Panama flag. This barge is suitable for operation 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)



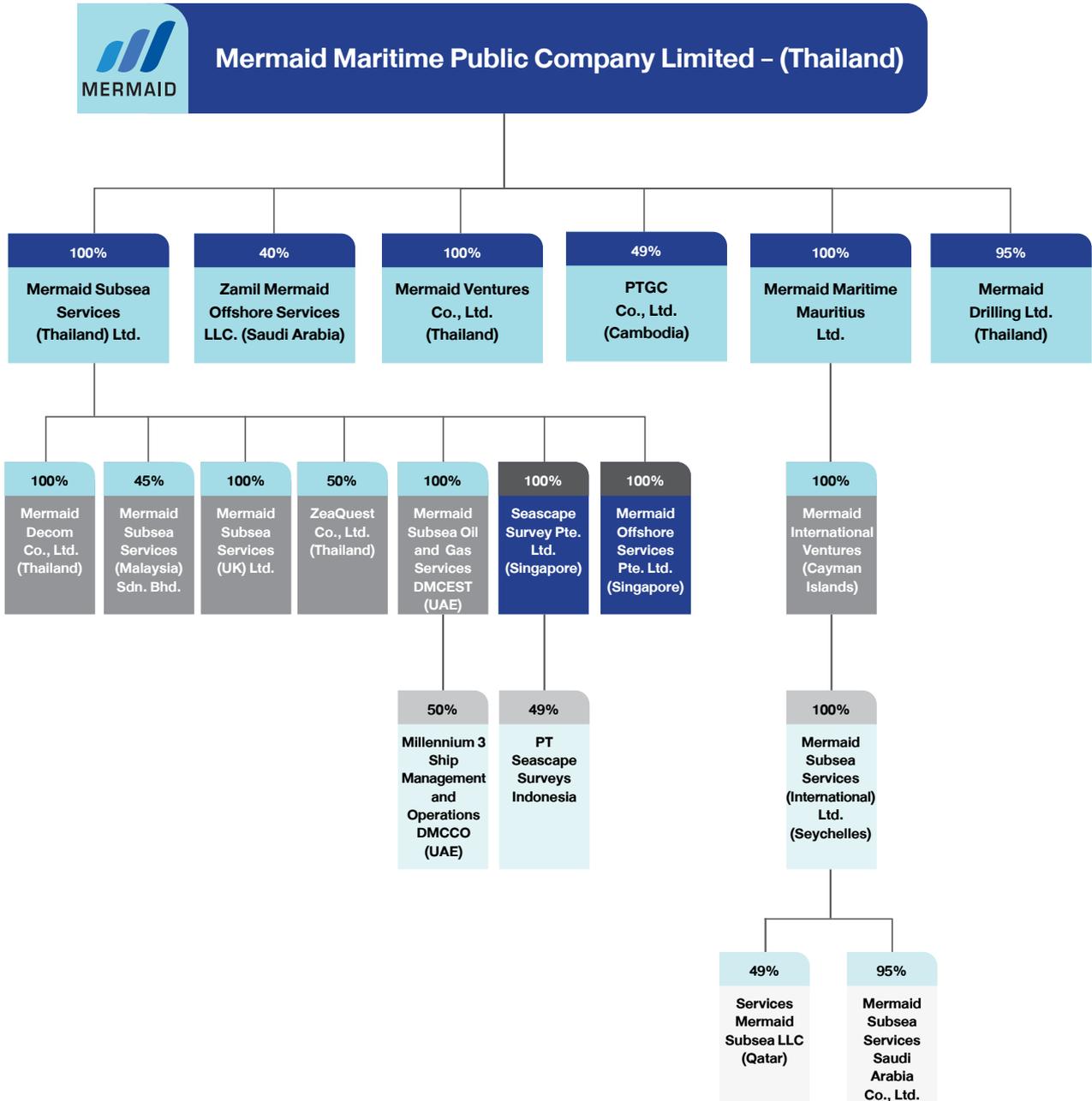
VAN GOGH (BUILT IN 2019)

Van Gogh Diving Support Construction Vessel is advanced designed & high specification for deepwater deployment worldwide and is the state of the art DP2 Multipurpose Diving Support Vessel I SPS Code 2008, with an 18 men single bell saturation system for depth down to 300 meter. Van Gogh has its own moonpool, an air diving system, and fitted 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, dynamic positioning system and 1501 offshore cranes (3,000m water depth). A large platform deck 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 characteristic for deployment worldwide. Van Gogh is DNV GL classed and flies Bahamas flag.



CORPORATE STRUCTURE

As at 31 December 2022





MERMAID GROUP COMPANIES

As at 31 December 2022

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 LLC	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 DMCCO	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% (indirect)
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

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 2022, 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 Whiley	Member	-	-	-	Member	-

* Also Lead Independent Director

Details of each Board Committee are as follows:

Audit Committee

As at 31 December 2022, the Audit Committee comprises one (1) Non-Executive Director, namely Dr. Jean Paul Thevenin, and two (2) Independent Directors, namely Mr. Tang Kee Fei and Dr. Jan Jozef Skorupa. The Chairman of the Audit Committee was Mr. Tang Kee Fei. The majority of the Audit Committee members, including the Chairman, are Independent Directors.

The Audit Committee is responsible, among other things to:

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

- (c) oversee the performance and effectiveness of the Group's risk management systems and internal controls;
- (d) review the assurance from the Chief Executive Officer ("CEO") and the Chief Financial Officer on the financial records and financial statements;
- (e) make recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors and the remuneration and terms of engagement of the external auditors;
- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (g) review the qualification, independence and performance of the external auditors and non-audit services rendered by the external auditors;
- (h) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters so that they may be safely raised, independently investigated and appropriately followed up on;
- (i) review Interested 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 2022, 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 2022, 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 2022, 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 2022, 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 2022, as well as the attendance of every Board member at these meetings, including participation through teleconference, is as follows.

Name	Type of Meetings					
	Board	Audit Com.	Rem. Com.	Nom. Com.	Exec. Com.	Risk Com.
Mr. Prasert Bunsumpun	5/5	-	-	2/2	7/7	-
Mr. Chalermchai Mahagitsiri	5/5	-	-	2/2	6/7	2/2
Dr. Jean Paul Thevenin	5/5	4/4	-	2/2	7/7	2/2
Dr. Jan Jozef Skorupa	5/5	4/4	-	2/2	-	-
Mr. Tang Kee Fei	4/5	4/4	-	2/2	-	2/2
Mr. Tay Yu-Jin	3/5	-	-	2/2	-	-
Mr. Paul Burger Whiley	5/5	-	-	2/2	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 2022, 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 2022.

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 2022 is set out below:

Other Listed Company Directorships	
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 Film Industries 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.
Principal Commitments	
Mr. Prasert Bunsumpun	None.
Mr. Chalermchai Mahagitsiri	President & CEO, Thoresen Thai Agencies Plc.
Dr. Jean Paul Thevenin	Non-Executive Director, Thoresen Thai Agencies Plc.
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 LLP
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 2022, 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 2022. 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 2022 is presented in bands.

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

Name	Below SGD 100k	SGD 100k-200k	SGD 200k-300k	SGD 300k-400k	SGD 400k-500k	Over SGD 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 2022.

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	45%	-	-	55%	-
Mr. Tang Kee Fei	100%	-	-	-	-
Mr. Tay Yu-Jin	100%	-	-	-	-
Mr. Paul Burger Whiley	-	97%	-	3%	-

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 Buakhungamcharoen	•	-	-
Ms. Thanyada Apichotthanachai	•	-	-
Mr. Pattarapol Wannarat	•	-	-
Mr. Simon Wilde	-	•	-
Mr. Fraser Moonie	-	•	-
Mr. Scott Cormack	-	•	-

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	78%	5%	17%	-
Ms. Thanyada Apichotthanachai	81%	5%	14%	-
Mr. Pattarapol Wannarat	89%	5%	6%	-
Mr. Simon Wilde	89%	11%	-	-
Mr. Fraser Moonie	86%	-	14%	-
Mr. Scott Cormack	86%	-	14%	-

The aggregate remuneration paid to the above key management personnel (who are not Directors) for financial year ended 31 December 2022 was SGD 1,460,238.00.

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 2022.

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 2022.

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 2022 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 2022 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 2022, 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.

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. 01/2022 held on 26 April 2022, all Directors were in attendance, either in person or via teleconference.

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

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

Dividends

On 28 February 2022, 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 2021. Subsequently, at AGM No. 01/2022 dated 26 April 2022, the shareholders present had unanimously approved that no dividends be declared to the shareholders for the financial year ended 31 December 2021.

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

COMMUNICATION WITH SHAREHOLDERS

Principle 12

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

To provide equal participation opportunity for all shareholders, each year the Company organizes a Shareholders Forum in Singapore. At this event, the shareholders (including the Depositors), particularly those based in Singapore, would be given the opportunity to meet with Board members and key executives of the Company. At each Shareholders Forum, the Company delivers a presentation to update shareholders on Mermaid's progress over the past year and provide adequate time to shareholders to address queries and concerns about Mermaid. Due to the novel coronavirus disease 2019 ("Covid-19") pandemic, the Company did not organize Shareholders Forum in Singapore in 2022.

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

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

Meetings via Electronic Media

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

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

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

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

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

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

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13

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

Sustainability Reporting

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

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



GENERAL DISCLOSURES

1. SHAREHOLDER BASE AND VOTING RIGHTS

As at 30 December 2022, the statistics of shareholdings of Mermaid Maritime Public Company Limited (“Mermaid” or “Company”) are as follows:

Number of Authorised Shares	1,416,700,697
Number of Issued Share	1,413,328,857
Issued and Fully Paid Up Capital	Thai Baht 1,413,328,857
Treasury Shares	None
Number of Shareholders	4,113
Class of Shares and Voting Rights	Ordinary shares with equal voting rights

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

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

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

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

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

In addition, to fix the remuneration of Directors requires a resolution of a general meeting of shareholders of not less than two-thirds (2/3) of all votes presented.

2. DISTRIBUTION OF SHAREHOLDINGS

As at 30 December 2022, the distribution of ordinary shares amongst all shareholders was as follows:

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	205	4.99	2,826	0.00
100 - 1,000	202	4.91	162,298	0.01
1,001 - 10,000	1,394	33.89	9,046,350	0.64
10,001 - 1,000,000	2,277	55.36	180,484,872	12.77
1,000,001 AND ABOVE	35	0.85	1,223,632,511	86.58
TOTAL	4,113	100.00	1,413,328,857	100.00

3. DETAILS OF SUBSTANTIAL SHAREHOLDERS

As at 30 December 2022, the names of substantial shareholders and a breakdown of their direct and deemed interests as recorded in Mermaid's register of substantial shareholders were as follows:

Name	Direct	Deemed	Total
Thoresen Thai Agencies Public Company Limited ("TTA") (see Note 1)	700,000,000 (49.53%)	122,908,013 (8.69%)	822,908,013 (58.22%)
Soleado Holdings Pte. Ltd. ("Soleado")	102,509,593 (7.25%)	-	102,509,593 (7.25%)
Mr. Chalermchai Mahagitsiri (see Note 2)	150,461,660 (10.65%)	822,908,013 (58.22%)	973,369,673 (68.87%)
Mr. Prayudh Mahagitsiri (see Notes 2)	55,081,582 (3.90%)	822,908,013 (58.22%)	877,989,595 (62.12%)
Ms. Ausana Mahagitsiri (see Notes 2)	-	822,908,013 (58.22%)	822,908,013 (58.22%)
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 20,398,420 ordinary shares (1.44%) 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 10,848,823 ordinary shares (0.60%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 35,253,358 of ordinary shares (1.93%) 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 596,268,977 ordinary shares (32.72%).

4. TOP 20 LARGEST SHAREHOLDERS

As at 30 December 2022, 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.	139,587,914	9.88
3	Soleado Holdings Pte. Ltd.	86,747,393	6.14
4	Citibank Noms Spore Pte. Ltd.	81,330,861	5.75
5	DBS Nominees Pte. Ltd.	65,580,636	4.64
6	Athene Holdings Ltd.	20,398,420	1.44
7	DBS Vickers Securities (s) Pte. Ltd.	16,804,346	1.19
8	OCBC Securities Private Ltd.	12,497,758	0.88
9	UOB Kay Hian Pte. Ltd.	12,056,200	0.85
10	LIM AND TAN SECURITIES PTE LTD	9,566,200	0.68
10	BNP Paribas Noms Spore Pte. Ltd.	9,566,200	0.68
11	PHILLIP SECURITIES PTE LTD	8,863,700	0.63
12	IFAST FINANCIAL PTE LTD	7,445,500	0.53
13	TOH ONG TIAM	6,165,400	0.44
14	HSBC (SINGAPORE) NOMINEES PTE LTD	5,193,400	0.37
15	MAYBANK SECURITIES PTE. LTD.	4,797,300	0.34
16	ANG AH LEK @AN AH LEK	4,000,000	0.28
17	LEE GEOK HWA	3,363,500	0.24
18	ABN AMRO CLEARING BANK N.V.	3,029,700	0.21
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,870,456	0.20
20	UNITED OVERSEAS BANK NOMINEES P L	2,382,300	0.17
	Total	1,202,247,184	85.06
	Others shares	211,081,673	14.94
	Total shares of MML	1,413,328,857	100.00

5. MERMAID SHARES HELD BY DIRECTORS

As at 30 December 2022, 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	300,000	0.0002	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 2022, 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 2022 or still subsisting as at 31 December 2022 are as follows:

On 1 December 2021, Thoresen Thai Agencies Plc (TTA), a parent company granted long-term borrowing to Mermaid Maritime Plc (MML) of US Dollars 5.0 million to support working capital. The loan was denominated in US Dollar, having a total outstanding of US Dollars 5.0 million as at 31 December 2022. This borrowing bears interest at the rate of 7% per annum.

During 2022, MML has entered into short-term loan agreement with TTA for support working capital, amounting to US Dollars 4.0 million with interest rate at 7% per annum.

9. DEALINGS IN SECURITIES

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

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

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

10. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2022, 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 2022 amounted to US Dollars 212,692 (two hundred twelve thousand six hundred and ninety-two United States Dollars).

Non-audit fee paid to KPMG and its relevant affiliated audit entities during the financial year ended 31 December 2022 amounted to US Dollars 34,309 (thirty-four thousand three hundred and nine 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 2022.

	Group	
	2022	2021
	USD	USD
Audit fees:		
- Auditors of the Company	212,692	185,780
- Other auditors	17,284	29,578
Non-audit fees:		
- Auditors of the Company	34,309	38,774
- Other auditors	83,403	111,459
Total audit and non-audit fees	347,688	365,591

11. APPOINTMENT OF AUDITOR

Auditors from KPMG were reappointed by a resolution of the Company's shareholders on 29 April 2022 to audit the Company's separate financial statements and the Company and its subsidiaries' consolidated financial statements for the financial year ended 31 December 2022.

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 2022:

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 2022.

KPMG and its relevant affiliated audit entities were appointed to audit all of the Company's significant subsidiaries for the financial year ended 31 December 2022.

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 2022 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
		2022	
Mermaid Maritime Plc (MML) and Thoresen Thai Agencies Plc. (TTA)	Referring to the loan agreement dated 1 December 2021, TTA granted loan to MML of USD 5.0 million with interest rate of 7% p.a.		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.	Referring to the loan agreement dated 17 March 2022, TTA granted loan to MML of USD 4.0 million with interest rate of 7% p.a.		
MML and TTA have three common directors being:			As aforementioned, such transactions were reasonable and create the benefit for the Company.
<ul style="list-style-type: none"> · Mr. Chalermchai Mahagitsiri · Mr. Praset Bunsumpun · Mr. Jean Paul Thevenin 	MML intends to use these loans to support working capital.		
And Mr. Chalermchai Mahagitsiri holds shares in both MML and TTA.	MML recorded such related transactions as follows:		
	<ul style="list-style-type: none"> · Short-term borrowing from parent company · Current portion of long-term borrowing from parent company 	4,000 5,000	
	MML recorded finance cost from such loans as		
	<ul style="list-style-type: none"> · Finance cost · Accrued finance cost 	367 102	

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 2022 was USD 105.34 million, or 75.71% of the Rights Issue and Private Placement proceeds and is summarized as follows:

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

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

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

As at 31 December 2022, 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 2022, 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 at AGMs of the Directors, pursuant to the Articles of Association of the Company.

No.	Name of Directors	First Appointment Date			Retired by Rotation and Re-elected by AGM
1.	Mr. Tang Kee Fei	25	Apr	2017	AGM 2020
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 2021
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 2022, land and buildings owned by Mermaid were as follows:

No.	Description	Location	Calendar Year	Million USD		Ownership
			Purchase Year	Cost	Net Book Value	
1.	Land	Pinthong Industrial Estate, Chonburi, Thailand	2003	0.59	0.59	Freehold
2.	Land	Laem Chabang, Chonburi, Thailand	2001	0.25	0.25	Freehold
3.	Buildings	Built on land at no. (1) above	2005	4.51	0.51	On freehold land

As at 31 December 2022, 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	Purchase Year	Cost	Net Book Value
1.	Mermaid Endurer	2010	2010	105.86	47.28
2.	Mermaid Asiana	2010	2010	92.98	46.20
3.	Mermaid Sapphire	2009	2009	37.87	16.47
4.	Mermaid Challenger	2008	2008	19.83	0.50
5.	Mermaid Commander	1987	2005	36.57	1.33
6.	Resiliant	2005	2022	7.00	6.50
7.	Millennium 3	2011	2021	32.02	30.02

The net book values presented in the table above represent post-asset impairment values for such assets for the financial year ended 31 December 2022.

'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 2022, the Company remains in compliance with this requirement and shall continue to comply with this requirement on a continuing basis.

19. MINIMUM TRADING PRICE COMPLIANCE

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

As at 30 December 2022, the Company's share price closed at SGD 0.074 and its market capitalization is SGD 104.58 million. The Company has also not experienced an average daily market capitalization of less than SGD 40 million over the last six (6) months. Therefore, Company is in compliant with this Minimum Trading Price ("MTP") requirement.

20. ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following Directors shall be seeking re-election at the next Annual General Meeting of Shareholders No. 01/2023 of the Company: Mr. Tang Kee Fei and Jean Paul Thevenin.

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

(a) MR. TANG KEE FEI

Date of appointment	25 April 2017
Date of last re-appointment (if applicable)	29 April 2020
Age	67
Country of principal residence	Singapore
The Board's comments on this appointment on this re-election/ appointment	<p>After reviewing the recommendation of the Nomination Committee and Mr. Tang Kee Fei's qualifications and experience (as set out below), the Board has approved that he stands for re-election as an Independent Director.</p> <p>Chairman of the Audit Committee and member of the Nomination Committee and Risk Management Committee, and will also be considered independent for the purposes of Rule 210(5)(c) and 704(8) of the Listing Manual of the SGX-ST.</p>
Whether the appointment is executive, and if so, the area of responsibility	Non - Executive
Job Title	<p>Independent Director Chairman of the Audit Committee Member of the Nomination Committee Member of the Risk Management Committee</p>
Professional qualifications	Chartered Management Accountant
Working experience and occupation(s) during the past 10 years	<p>1996-2013 VP Finance, Creative Technology Ltd 2013-Present General Manager, Asiatech Energy Pte. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries)	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments (as defined in the Code) including directorships for the past 5 years	<p>Other Principal Commitments: None Other Directorships: None</p>
Other principal commitments (as defined in the Code) including directorships at present	<p>Other Principal Commitments: None Other Directorships: None</p>

(b) MR. JEAN PAUL THEVENIN

Date of appointment	28 January 2013
Date of last re-appointment (if applicable)	29 April 2021
Age	82
Country of principal residence	Thailand
The Board's comments on this appointment on this re-election/ appointment	<p>After reviewing the recommendation of the Nomination Committee and Mr. Thevenin's qualifications and experience (as set out below), the Board has approved that he stands for re-election as a Non-Executive and Non-Independent Director.</p> <p>Mr. Thevenin will, upon re-election, continue to serve as an Executive Director and member of the Executive Committee, Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.</p>
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Non-Executive Director Member of the Risk Management Committee Member of the Executive Committee Member of the Audit Committee Member of the Nomination Committee Member of the Remuneration Committee
Professional qualifications	Ph.D. in Metallurgy, Orsay University, France Honorary Ph.D., King Mongkut Institute of Technology, Thailand

Working experience and occupation(s) during the past 10 years

2013 - Present
Non-Executive Director, Mermaid Maritime Plc.

2014 - 2022
Director, MTR-2 Ltd.

2014 - Present
Non-Executive Director, Thoresen Thai Agencies Plc.

2014 - Present
Director, Mermaid Drilling Ltd.

2015 - Present
Director, Thoresen Shipping Singapore Pte. Ltd.

2015 - Present
Director, Mermaid Offshore Services Pte. Ltd.

2015 - Present
Director, Mermaid Subsea Services (Thailand) Ltd.

2016 - Present
Director, TTA Mariner Co., Ltd.

2016 - Present
Director, Thoresen & Company (Bangkok) Limited

2017 - Present
Director, Petrolift Inc.

2018 - Present
Director, Asia Infrastructure Management (Thailand) Co., Ltd.

2018 - Present
Director, PTGC Co., Ltd.

2019 - Present
Director, Thoresen Klong Padung Krungkasem Joint Venture (Thailand)

2018 - Present
Director, Asia Infrastructure Management (Thailand) Co., Ltd.

2019 - Present
Director, PM Thoresen Asia Holdings Plc.

2021 - Present
Director, Thoresen Shipping (Thailand) Co., Ltd.

2021 - Present
Director, Mermaid Decom Co., Ltd.

2021 - Present
Director, Baconco Co., Ltd.

2022 - Present
Director, Strom (Thailand) Co., Ltd.

2022 - Present
Director, Petrolift (Thailand) Co., Ltd.

2022 - Present
Director, P80 Go Co., Ltd.

2022 - Present
Director, P80 Air Ltd

Shareholding interest in the listed issuer and its subsidiaries

None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries)

None

Conflict of interest (including any competing business)

None

Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer

Yes

<p>Other principal commitments (as defined in the Code) including directorships for the past 5 years</p>	<p>Other Principal Commitments: None Other Directorships: PMT Property Co., Ltd.</p>
<p>Other principal commitments (as defined in the Code) including directorships at present</p>	<p>Other Principal Commitments: None Other Directorships: PM Thoresen Asia Holdings Plc. Thoresen Thai Agencies Plc. Asia Infrastructure Management (Thailand) Co., Ltd. PTGC Co., Ltd. PT Mermaid Subsea Services Indonesia Mermaid Subsea Services Saudi Arabia Co., Ltd. Petrolift Inc. TTA Mariner Co., Ltd. Thoresen & Company (Bangkok) Limited Mermaid Subsea Services (International) Ltd. Thoresen Shipping Singapore Pte. Ltd. Mermaid Offshore Services Pte. Ltd. Mermaid Subsea Services (Thailand) Ltd. Mermaid Drilling Ltd. MTR-1 Ltd. Mermaid Decom Co., Ltd</p>

In the additional disclosure table below, each Director is referred to by his initials as follows: Mr. Tang Kee Fei (“TKF”), and Mr. Jean Paul Thevenin (“JPT”):

	TKF	JPT
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

	TKF	JPT
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No



BUSINESS OVERVIEW

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 and remotely operated vehicle (“ROV”) systems and ownership and operations of a fleet of offshore service vessels.

Mermaid remains a leading international subsea services company providing services to major oil and gas companies and their contractors. Our corporate headquarters are in Asia (Thailand). We have operational bases in the Middle East, Southeast Asia, Africa, and the United Kingdom.

Mermaid provides turnkey services to oil and gas majors operating offshore through our portfolio of subsea and cable laying vessels, specialized diving equipment and remotely operated vehicles. We have been in the offshore business for over 39 years, and we are today present in four geographical regions with a team of over 1,000 professional divers, technicians, surveyors, management, and support staff. Our vision is to be a premium service provider to the offshore oil and gas and Renewables industry, and to constantly deliver enhanced returns to our shareholders.

The last few years have been challenging due to Covid-19 and Russia’s invasion of Ukraine. However, we see a significant uptick in demand for Subsea Services. The intermediate outlook remains positive, as construction engagements actively mobilize after the relative inaction of the recent past.

A two-pronged strategy continues to be implemented by Mermaid’s strengthened senior management team. This considered both a short-term/tactical approach (“Strengthening our Core”) and a longer-term vision (“Positioning for Growth”), that have ensured our ability to continue to build sustained shareholder value.

Strengthening our Core: In reciprocity to our “Strengthening our Core” strategy, we prioritized safeguarding our home market and streamlining our internal processes. Striving to provide best in class quality services, at optimum cost, we continue to keep exploring and generating more activities and revenue on the back of this new momentum in the region.

Positioning for Growth: In adhering to our “Position for Growth” strategy, we progressively explore new windows of emerging demand. With various potential opportunities in the Flexible Lay and decommissioning Space. We have established Cable Lay and Offshore Transportation, Installation (T&I) and Decommissioning business units as part of our diversification for growth strategy. Foundational to this turnaround, was aggressive business development in the key world Oil & Gas markets of the Middle East, Africa, United Kingdom, and APAC. The re-establishment, after a period of dormancy, of the Cable & Flex Lay Division paid significant dividends throughout 2022, furthermore we had significant project awards in 2022/23. The investment in the Millennium 3 and cable & flex lay installation equipment, reinforced a strong growth swing for the Group with this division as a key enabler to the future.

The Saudi Arabian business unit achieved a significant growth of contract works outside of the IRM, while efficiently executing the long term IRM for ARAMCO. New clients and projects in the African markets, specifically South Africa and Angola, have been a welcome affirmation of the success of the key strategic imperative to deploy prudently to new markets, thereby expanding geographic footprint on the back of project awards. The UK business unit established itself as a integrated services provider in this mature Oil province, and looks set to leverage significant awards off it’s base in the near future. Internally, the notable establishment of a fully-fledged Engineering department, reduced SGA and increased turnover have been key achievements.

1. SERVICES AND FLEET STRUCTURE

SUBSEA SERVICES

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

As of 31 December 2022, 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 up to 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, which are three of the leading classification societies globally. All vessels are subject to regular inspection by class surveyors, in addition to regular dry-docking and other planned maintenance. Another core competency for the Subsea Division is running its diving operations to world class standards, especially those set by the International Oil and Gas Producers Association (“IOGP”).

SUBSEA FLEET LIST

No.	Name of Vessels	Vessel Type	Calendar Year	
			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

2. MARKETING AND COMPETITION

SUBSEA SERVICES CLIENTS

Major National and International oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms trust Mermaid as their partner in our regional markets of Middle East, Southeast Asia, Africa, and the UK. Clients in the Middle East remain the major contributor to Mermaid's business. A key diving contract secured in 2012 through the Company's Middle East joint venture, Zamil Mermaid Offshore Services Co. (LLC), Mermaid continues to buoy Mermaid's revenues and returns, and will continue to do so until end of 2024. Mermaid's strategy "Positioning for growth" is expected to place regional market expansion into other markets for the Subsea Division such as the United Kingdom, Africa, and the Mediterranean over the next few years. Maximizing vessel utilization continues as one of the top priorities while at the same time, cross selling of services through the value chain and longer contract durations in growth areas e.g., East Africa, UK, Southeast Asia, and the Middle East remains a core focus.

COMPETITION

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

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

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



INDUSTRY OUTLOOK

1. REBOUND FROM PANDEMIC AND GEOPOLITICAL SITUATION

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024 (World Economic Outlook) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery.

The Short-Term Energy Outlook (STEO) issued by the EIA notes the crude oil spot price forecast averages USD 85 per barrel in the first half of 2023 and USD 82/b the second half of 2023. Potential petroleum supply disruptions and slower-than-expected crude oil production growth could lead to higher oil prices, while the possibility of slower-than-forecast economic growth may contribute to lower prices, the current forecast for 2024 is USD 78/b.

2. THE OFFSHORE SUBSEA SECTOR

While the oil price has rebounded, uncertainty remains due to geopolitical tensions and fears of recession. Mermaid will be taking an aggressive position in strengthening the core business, and diversifying portfolio to cope with new fast and ever-changing era.

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

Offshore market segments in 2023 and 2024 look set for growth. Subsea purchases, construction and installation, and equipment may see another short bull run due to another projected increase in Offshore and Subsea development projects.

SUBSEA SERVICES

1. THE SUBSEA MARKET

The outlook for subsea service providers continues to be positive on an intermediate-term basis. Significant changes in the market growth and market competition landscape were inevitable and are now playing out. However, new projects are being sanctioned, as evidenced by Mermaid's significant project awards. Delayed maintenance is forcing the hand of field operators, thereby unlocking spend in that market segment and soaking up the associated tonnage which bodes well for the Mermaid Group, as it is ready to respond:

The subsea vessel market has been affected by COVID-19, and most companies were already operating at low margins amid the uncertainty, effectively just chasing contribution to weather the situation. With the fast rebound in crude prices and with Brent Crude levels expected to stay between USD 80 to USD 85 in 2023, it is evident that there will be a massive increase in subsea works.

It is documented that the general subsea vessel market has been operating at over capacity for years. While the trend continues in some market segments, some of those issues have been mitigated by scrapping, or cold stacking which has in any event rendered many older units unserviceable going forward. In the specialist DSV market however, there is an extreme shortage of available tonnage, and the forecast of future works for DSV's is on the increase worldwide. The demand for DSV's for 2023 and beyond has not been higher since 2014. There has been a significant reduction in the active DSV fleet between 2017 and 2022, with this tighter market favoring

owners and operators. There will thus be a shortage of DSV's in the market from 2023 as the oil and gas industry is catching up, and the increase in oil price is also pushing for oil majors to proceed quickly to benefit from this.

2. TYPES OF SUBSEA VESSELS

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

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

MERMAID'S INDUSTRY POSITIONING

Having served the Oil & Gas industry for circa four decades, Mermaid boasts a proven track record of subsea excellence. With operations throughout Middle East, Southeast Asia, Africa and the North Sea, Mermaid played a pioneering role in the global subsea markets. Mermaid can provide subsea engineering solutions in most water depths, and this can involve complex and challenging engineering in any region of the world, for the Oil and Gas markets.

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

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

GEOGRAPHICAL COVERAGE AND SHALLOW WATER FOCUS

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

IRM FOCUSED, AND GEOGRAPHICAL EXPANSION

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

TRACK RECORD OF QUALITY AND SAFETY, MODERN ASSET BASE

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

Mermaid has a stable order book which continues to grow faster than industry norms. Most work is in the subsea services sector, with more near-term contract wins expected. This contract backlog is expected to provide a backbone of revenue and stability to our stakeholders in 2023. The significant outcome of a more diversified forward book, also being greater at the end of the year than it was at the beginning of any year for the first time in any of the past four years, is testimony to the significant recovery effected by the new management in the most turbulent of times globally.

In these challenging market conditions, Mermaid retains low gearing, which increases agility and be readiness to take advantage of any opportunistic and organic growth.



MANAGEMENT DISCUSSION & ANALYSIS

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

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

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

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

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

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

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

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

Exchange rate: For 2022 financial numbers, the exchange rate of Baht 34.5624 and Baht 35.0613 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. 2021 and 2022) 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 types of Mermaid Group. For 2022, the revenue of subsea IRM and survey works was recorded at US Dollars 107.5 million or represented approximately 48.0% 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 and chartered-in vessels for subsea inspection, repair and maintenance (“IRM”) and survey works.

TABLE 1: FLEET UTILIZATION FOR OFFSHORE SERVICE VESSELS

Unit: Days

Item	FY 2022		FY 2021	
	No. of Days	% Change	No. of Days	% Change
Calendar-Vessel-Days	1,825	-3.13%	1,884	-14.21%
Planned Off-Hire Days	97	100.00%	-	-100.00%
Available Days	1,728	-8.28%	1,884	-8.54%
Operating Days	868	19.89%	724	-16.97%
Fleet Utilization	50.23%	11.80%	38.43%	-3.90%

Calendar days of owned vessels were decreased from 1,884 days to 1,825 days in 2022 as a result of a disposal of one owned vessel “Mermaid Siam” in February 2021. There was no long-term chartered-in vessel during the year while “Mermaid Commander” and “Mermaid Challenger” remained cold-stacked.

Revenue from rendering of services: Revenue from rendering of subsea IRM services rose by 21.9% from US Dollars 51.1 million in 2021 to US Dollars 62.2 million in 2022. This was mainly due to higher utilization of the three main performing vessels: “Mermaid Asiana”, “Mermaid Endurer” and “Mermaid Sapphire”. Total fleet utilization increased from 724 days in 2021 to 868 days in 2022. In line with the higher utilization rate, average day rates also increased from US Dollars 70.6 thousand in 2021 to US Dollars 71.7 thousand in 2022.

Costs of rendering of services: In 2022, the costs were recorded at US Dollars 61.6 million which proportionally increased by 20.78% comparing to US Dollars 51.0 million in 2021 which in line with the increase in revenue from rendering of subsea IRM services. Costs of rendering of subsea IRM services were consisting of service expenses and depreciation.

Service expenses: Service expenses increased by 31.04% from US Dollars 39.3 million or equivalent US Dollars 20,845 per Calendar-vessel-day in 2021 to US Dollars 51.5 million or equivalent US Dollars 28,221 per Calendar vessel-day in 2022. Service expenses were representing 82.66% of revenue from rendering of subsea services, compared to 76.91% of a previous year.

Depreciation expenses: Depreciation expenses of subsea IRM fleets decreased by US Dollars 1.6 million from US Dollars 11.7 million in 2021 to US Dollars 10.1 million in 2022.

1.2 OTHER SUBSEA IRM AND SURVEY SERVICES (NON-FLEET):

Revenue from rendering of services: Revenue from rendering of other subsea IRM and survey services increased from US Dollars 31.2 million in 2021 to US Dollars 45.3 million in 2022 as a result of more survey projects as well as inspection projects.

Costs of rendering of services: In 2022, costs of rendering of other subsea IRM and survey services were US Dollars 39.5 million, an increase of US Dollars 10.2 million from US Dollar 29.3 million of a previous year. However, the costs were representing 87.20% of the revenue from rendering of services which improved from 93.91% of 2021. This improvement was the result of effective cost control and higher contribution margin.

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 2022.

TABLE 2: PROJECT WORKS FOR CABLE LAYING AND ENGINEERING SERVICES

Item	FY 2022		FY 2021	
	Amount	% Change	Amount	% Change
No. of Projects	4	0.00%	4	NA
Average Project Value (USD MM)	13.4	143.82%	5.5	NA
Average Working Days	195	111.41%	92	NA

Revenue from rendering of services: For 2022, total revenue from rendering of cable laying services rose to US Dollars 53.1 million from US Dollars 22.1 million of the previous year. This came from 4 main projects that awarded from major customers in the Middle East. Even though the number of projects has not increased, the average project value significantly improved from US Dollars 5.5 million per project in 2021 to US Dollars 13.4 million per project in 2022. The average working days per project also expanded from 92 days in 2021 to 195 days in 2022. Revenue from cable laying projects were approximately 23.7% of total revenue of 2022.

Costs of rendering of services: Costs of rendering of cable laying services were recorded at US Dollars 46.7 million in 2022, which were approximately 87.9% of the revenue from rendering of this service and improved a gross profit margin to 12.1%. Compared to 2021, the costs were recorded at US Dollars 26.8 million and were approximately 121.5% of its revenue which resulted from the COVID-19 pandemic that had an impact to a delayed mobilization of a vessel and crew.

3. T&I AND DECOMMISSIONING WORKS

The following table provides a summary of T&I and Decommissioning services during the fiscal year 2022.

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

Item	FY 2022		FY 2021	
	Amount	% Change	Amount	% Change
No. of Projects	11	1000.00%	1	NA
Average Project Value (USD MM)	5.8	-21.12%	7.3	NA
Average Working Days	49	-40.02%	82	NA

Revenue from rendering of services: The Group has explored new opportunities in T&I and decommissioning works since 2021. Despite of a decrease in an average project value from US Dollars 7.3 million per project in 2021 to US Dollars 5.8 million in 2022, the total revenue from rendering of T&I and decommissioning services increased from US Dollars 7.3 million to US Dollars 63.3 million. This came from an increase in number of projects from 1 project in 2021 to 11 projects in 2022 in both South East Asia and the North Sea. Revenue from T&I and decommissioning projects were approximately 28.3% of total revenue of 2022.

Costs of rendering of services: In 2022, costs of rendering of T&I and commissioning services were recorded at US Dollars 58.7 million which representing 92.6% of revenue from rendering of this service whereas the costs were recorded at US Dollars 6.2 million and representing 85.4% of the revenue from rendering of this service in 2021. The increase in portion of the costs of rendering of services came from the cost of long-term chartered-in vessel “Van Gogh” that provided services in South East Asia.

OPERATING RESULTS

Gross profit: The Group generated a gross profit of US Dollars 17.5 million in 2022, a significant increase of US Dollars 19.1 million from a gross loss of US Dollars 1.6 million in 2021. The increase was principally from revenue growth as a result of higher utilization of all vessels, higher day rate and more projects for all service types. Also, 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 15.5 million in 2022 which slightly increased by 7.6% from US Dollars 14.4 million in 2021. An increase mainly came from employee benefit expense.

Foreign exchange losses: In 2022, foreign exchange losses resulted in US Dollars 1.0 million compared to US Dollars 0.4 million in 2021. The change was affected by an increase in exchange rates.

Other income: In 2022, other income was US Dollars 1.2 million which reduced from US Dollars 2.6 million in the previous year. The decrease was due to US Dollars 1.3 million gain from liquidation of subsidiaries recorded in 2021.

Share of profits of joint ventures and associates: Share of profits of joint ventures and associates was US Dollars 2.9 million in 2022. The increase of US Dollars 2.4 million was mainly due to more profit generated by M3JV.

Finance cost: The cost of finance was recorded at US Dollars 3.3 million in 2022 which increased from US Dollars 1.6 million in 2021. The increase was primarily from interest expense of new lease liabilities of US Dollars 1.0 million and interest expense of borrowing from parent company of US Dollars 0.4 million.

Tax expense: In 2022, the Group reported tax expense of US Dollars 1.6 million, an increase of US Dollars 0.8 million compared to the previous year. This was mainly from tax expenses in Saudi Arabia.

Based on the factors illustrated above, the Group reported a net profit of US Dollars 0.3 million in 2022, which was a successful improvement from a net loss of US Dollars 15.7 million in 2021.

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	
	2022	2021
Cash, cash equivalents, current investment and deposits		
Cash and cash equivalents	7,801	7,983
Current investment	-	2,874
Restricted deposits at financial institutions	8,405	8,187
Total cash, cash equivalents, current investment and deposits	16,206	19,044
Debt		
Short-term borrowing from parent company	4,000	-
Current portion of long-term borrowing from parent company	5,000	3,000
Current portion of long-term borrowings from financial institution	14,209	14,209
Long-term borrowing from parent company	-	2,000
Long-term borrowings from financial institution	18,275	32,485
Total Debt	41,484	51,694
Shareholders' Equity		
Ordinary shares, Baht 1 par value		
1,413.33 million shares issued and fully paid-up	47,322	47,322
Share premium on ordinary shares	343,536	343,536
Retained earnings (deficit)	(226,772)	(226,505)
Other components of equity	(3,146)	(3,678)
Total Shareholders' Equity	160,940	160,675
Total Capitalization	202,424	212,569
Total Debt to Total Capitalization	0.20	0.24

As at 31 December 2022, the Group's total cash and cash equivalents equaled US Dollars 16.2 million. A decrease of US Dollars 2.8 million from US Dollars 19.0 million as at 31 December 2021.

For the year ended 31 December 2022, the Group had net cash from operating activities of US Dollars 28.4 million which largely improved from the cash flow for the corresponding period ended 31 December 2021. This was mainly from net profit generated for the year and an increase in trade account payable in 2022.

The Group had net cash used in investing activities of US Dollars 10.0 million for the year ended 31 December 2022. This was primarily due to an increase in short-term loan to related party of US Dollars 1.3 million, acquisitions of property, plant and equipment of US Dollars 14.9 million. These were offset against proceed from sale of property plant and equipment of US Dollars 2.1 million, proceed from sale of current investment of US Dollars 2.9 million and proceed from long-term loan to related party of US Dollars 1.1 million.

The Group had net cash used in financing activities of US Dollars 17.9 million in 2022. This was due to a repayment to financial institution of US Dollars 14.3 million, payment of lease liabilities of US Dollars 5.4 million, interest paid of US Dollars 2.2 million which was offset against cash received from borrowing from parent company of US Dollars 4.0 million for a purpose of working capital.

As at 31 December 2022, the Group had a total debt of US Dollars 41.5 million, comprising of short-term borrowing from parent company of US Dollars 4.0 million, long-term borrowing from parent company of US Dollars 5.0 million, long-term borrowing from financial institution of US Dollars 32.5 million. In comparison, the Company had a total debt of US Dollars 51.7 million as at 31 December 2021. Outstanding loans were obtained mainly for acquisitions of vessels, rigs and equipment and working capital.

CAPITAL EXPENDITURES

The capital expenditure in 2022 was an investment in property, plant and equipment totaling of US Dollars 15.2 million which mainly composing of a support vessel "Resiliant", tools and equipment, building improvement 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 2022, 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:

MANAGING INTEREST RATE BENCHMARK REFORM (IBOR REFORM)

The Group monitors the progress of transition from IBOR to new benchmark rate by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause.

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

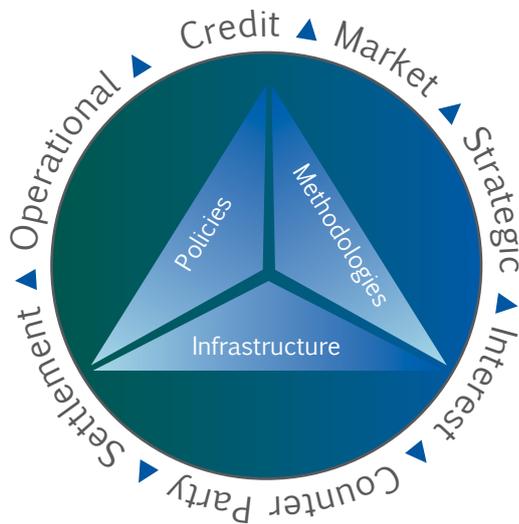
The Group has already overcome the impact of Covid-19 pandemic which originated since the past years. For this current year forward, the Group will concentrate more on the risk that happened due to climate changes which could cause an increased cost, operation cessation and rescheduling. The Group will mitigate the risk by monitoring, analyzing historical data as advantages, precautionous assessment the impacts on the projects and negotiate with counterparties for related terms and conditions to reduce possible exposures. The Group will also essence on the importance of business sector diversification as one of the major goals.

RISK MANAGEMENT

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

ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

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



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

RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

THE BOARD OF DIRECTORS

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

RISK MANAGEMENT COMMITTEE

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

MERMAID GROUP'S FIVE-STEP RISK MANAGEMENT PROCESS

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

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

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

KEY RISKS AND MITIGATION STRATEGIES

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

A) STRATEGIC RISKS

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

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

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

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

B) CREDIT RISKS

Credit default risks:

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

Concentration risk:

The Group's revenue is mainly derived from a few customers. This creates exposure the potential to produce large enough losses to threaten the Group's operations if projects end unexpectedly. The Group conducts feasibility study to expand its customer base across countries and grow its market position by seeking new contracts to mitigate customer credit risk. The group also do a research and understand the market of the industry in each region to seek more probability of creating project pipeline, and to be one of the first company foresee the new market opportunity in each region.

C) OPERATIONAL RISKS

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

During the pre-contract stage, the project evaluation team, comprising members from different functions, identifies and evaluates key risks concerning the market, customers, engineering expertise and challenges, contractual terms, cost estimation, resource availability, other specific project structure & conditions and COVID-19 requirement in each region. Mitigating actions are identified to address these potential risks ensuring the operation cover all risks to operate efficiently.

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

After completed of project execution, the Group will investigate for lesson learnt of all previous projects to avoid re-occurrence of any fault during operation for the next project. Likelihood and impact from fault operation also lead to influence the Group's revenue and reputation. To receive the feedback of customer satisfaction also in place at this stage for the Group to have a better operation in the future.

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

D) FINANCIAL RISKS

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

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

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

A part from the above statement, the Group also focused on tax management to ensure that our Group is followed Laws & Regulations in each country of the operation. Revenue from each project is deducted from withholding tax and other tax types and it is a consequence directly impact to revenue. Thus, the Group manages to understand Taxation in each country properly and correctly by considered this impact for ensuring that after tax is applied the Group still generates margin as plan. The Group always investigates and foresees in each regional operation to include the taxation for avoiding any losses or missing calculation.

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

E) COMPLIANCE RISKS

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

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

F) HUMAN RESOURCES RISKS

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

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

G) EXTERNAL RISKS

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

The outbreak of the coronavirus disease 2019 (“COVID-19”) is the latest example of an external event that has affected global oil demand and, following the inability of major oil producing nations to agree on revised production targets, led to an oil price crash in the month of March 2020. The World Health Organization declaring COVID-19 as a pandemic and its spread across various countries coupled with the challenges of medical treatment and government intervention to enforce containment continues to weight down the recovery outlook of the oil and gas industry and of the global economy. With this circumstance, the Group always pays attention to closely monitor and report any Global situations that might lead to the impact for the business. This allows us to have an active information to foresee some events properly and can manage the situation fast and efficiency.

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

ENHANCING RISK MANAGEMENT CULTURE

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

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



SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

ABOUT MERMAID MARITIME

Mermaid Maritime (Mermaid, or MML) provides full turnkey services to oil and gas majors operating offshore through a diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. Mermaid has been in the offshore business for over 30 years and is present in five geographical regions with a team of over 1,000 professional divers, technicians, surveyors, management and support staff.

Mermaid was founded in 1983 and the headquarter is based in Bangkok, Thailand.



MERMAID | **Sustainable Excellence**

explore business opportunities
carefully identify risks
establish controlled safeguards
learn and improve
to **sustainable excellence**

Mr. Chalermchai Mahagitsiri
Executive vice Chairman



INTRODUCTION

Mermaid engaged S&P Global Sustainable¹ to review reporting of its environmental, social and governance (ESG) impacts for the financial year of 2022 (FY2022), which comprised the period from January 2022 - December 2022. Mermaid is interested in measuring its baseline ESG impact so that it can track progress against ESG-related activities over time. The results from this report are in line with common sustainability reporting frameworks - GRI and SASB standards.

Proactively identifying key materiality issues provides companies with the opportunity to increase their value, both in business and financial terms. Focusing on these material ESG issues can allow companies to positively impact their growth in terms of profit and customers, while failure to address these issues can have a negative effect on a company's reputation and profits. ESG reporting can help Mermaid communicate the company's commitment to sustainable development and its key achievements, practices, and management approaches to its target audiences and stakeholders.

SCOPE

Mermaid assessed and disclosed environmental, social and governance impacts for its vessels and operations.

Environmental indicators covered include:

- GHG emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

Social indicators covered include:

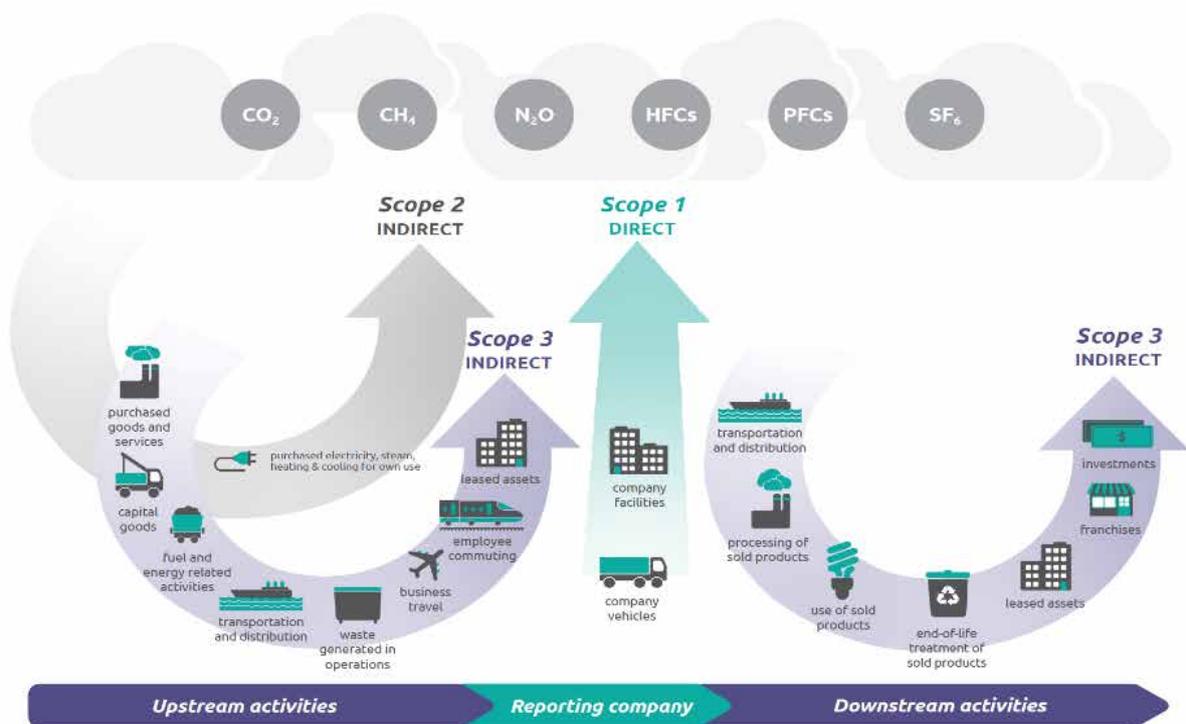
- Employee Engagement, Diversity & Inclusion
- Employee Healthy & Safety
- Labor Practices
- Product Quality & Safety
- Human Rights & Community Relations
- Data Security

Governance indicators covered include:

- Business Ethics
- Management of Legal & Regulatory Environment
- Critical Incident Risk Management

The figure below summarizes an organization’s sources of GHG emissions, across scope 1 (direct emissions), scope 2 (indirect emissions, primarily purchased electricity) and scope 3 (indirect emissions from upstream suppliers and downstream customers).

FIGURE 1: SCOPE OF VALUE CHAIN GHG EMISSIONS FOOTPRINT



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

METHODOLOGY

This report includes material ESG data from all business units, subsidiaries, and operations which Mermaid has operational control.

Mermaid provided S1 with fuel and electricity data, water use data, and waste data. Based on the information provided, the data covers the sites' full-time and part-time employees.

S1 calculated Scope 2 emissions from electricity consumption data.

The Greenhouse Gas Protocol methodology for compiling GHG data is used to assess carbon footprint. This includes the following material GHGs: CO₂ (carbon dioxide), N₂O (nitrous oxide) and CH₄ (methane). The following emission conversion factor sources are used in calculations:

- Fuel usage: EPA 2022
- Purchased electricity: EPA 2022 and IEA 2022

All commentary and metrics in the social and governance sections of this report were provided by Mermaid. No additional calculations were required to compile these metrics.



ESG MATERIALITY

Sustainable1 considered sector-level materiality to identify ESG issues relevant to companies operating in the associated sectors. These themes were identified using SASB and GRI, as well as an assessment of Mermaid peer reporting. Sector-level materiality was identified and refined based on the specific activities of the company.

Table 1 shows the ESG materiality results for Mermaid. The material topics shown in the table are identified across three categories – Environment, Social, and Governance.

Overall Mermaid invited participants from their management level to Operations and Support divisions to participate in the materiality assessment. The scores displayed in table 2 represent the average scores from all the participants. When scoring the material topics, Mermaid tried their best to include all the departments to consider the possible likelihood and impact on the business on the company, counterparties, and environment.

TABLE 1: MERMAID ESG MATERIALITY TABLE, FY2022

Source	Category	No.	Material Issue	Material to Mermaid Maritime	Score of Importance to Business (10 is high, 1 is low)	Score of Importance to Stakeholders (10 is high, 1 is low)
SASB/GRI	Environment	1	GHG Emissions	Yes	10	10
SASB/GRI	Environment	2	Air Quality	Yes	8	8
SASB/GRI	Environment	3	Energy Management	Yes	10	10
SASB/GRI	Environment	4	Water & Wastewater Management	Yes	10	10
SASB/GRI	Environment	5	Waste & Hazardous Materials Management	Yes	10	10
SASB/GRI	Environment	6	Ecological Impacts	Yes	10	10
TCFD	Environment	7	Climate Transition Risks	Yes	8	8
TCFD	Environment	8	Climate Physical Risks	Yes	8	8
TCFD	Environment	9	Climate-related Opportunities	Yes	8	8
GRI/Peers	Social	10	Data Security	Yes	10	10
SASB/Peers	Social	11	Product Quality & Safety	Yes	10	10
GRI/Peers	Social	12	Human Rights & Community Relations	Yes	9	9
GRI/Peers	Social	13	Labor Practices	Yes	9	9
SASB/GRI	Social	14	Employee Health & Safety	Yes	10	10
GRI/Peers	Social	15	Employee Engagement, Diversity & Inclusion	Yes	8	8
SASB/GRI	Governance	16	Business Ethics	Yes	7	7
SASB/GRI	Governance	17	Management of the Legal & Regulatory Environment	Yes	10	10
SASB	Governance	18	Critical Incident Risk Management	Yes	8	8

ENVIRONMENTAL IMPACT





GREENHOUSE GAS EMISSIONS

Mermaid's operational greenhouse gas emissions are attributed to onsite energy use, mainly fuel consumed by vessel operations. The analysis below covers Mermaid's vessel and warehouse operations in Thailand and Qatar.

TABLE 2: COMBINED DIRECT AND INDIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2022

	Units	2017	2018	2019	2020	2021	2022*
Purchased Electricity	kWh	2,037,937	2,132,565	1,343,241	1,061,667	1,473,503	611,646
Total Distance Travelled (company vehicle)	Km	311,801	277,377	138,177	96,907	130,980	267,073
Scope 1	tCO ₂ e	37,695	39,061	30,265	28,351	23,629	34,671
Scope 2 (Location Based)	tCO ₂ e	1,227	1,282	733	588	723	283

* For Scope 1 emissions, the 2022 assessment considered vessel Van Gogh. We updated 2021 Scope 1 emissions to include emissions from company vehicles. For Scope 2 emissions, the 2022 assessment only covered electricity usage in Thailand (Pinthong office) and Qatar. Thailand (Bangkok office) and Saudi Arabia data are missing.

Direct (Scope 1) GHG Emissions

Direct emissions are GHG emissions from an organization's direct operations. Direct (or scope 1) emissions are derived from the consumption of fuels such as natural gas, petrol, and diesel. Mermaid's scope 1 emission during FY2022 was 34,671 tCO₂e. The intensity of Scope 1 GHG emissions normalized by revenue was 526.7 tCO₂e/mUSD.

Indirect (Scope 2) GHG Emissions

The second component of Mermaid's GHG emissions relates to indirect (or scope 2) emissions from the consumption of purchased electricity. Mermaid's scope 2 emissions (location-based) during FY2022 were 283 tCO₂e. 100% of the electricity was purchased from the grid. The intensity of GHG emissions normalized by revenue was 4.3 tCO₂e/mUSD.



ENERGY MANAGEMENT

Mermaid's vessel fuel oil consumption reached 7,361 liters in FY2022. This included 3,855 liters of fuel oil consumption from the vessel Endurer and 3,475 liters of diesel consumption from the vessel Asiana.

Apart from Carbon Dioxide emissions, emissions of Nitrogen oxides (NO_x) and Sulfur oxides (SO_x) are also detrimental to the human and natural ecosystem. Mermaid's vessels follow the MARPOL (International Convention for the Prevention of Pollution from Ships) guidelines and the company has Pollution Prevention Protocol in place to set boundaries and requirements for company equipment to limit emissions of certain key pollutants.

MSS is committed to continual improvement in Energy Performance; (ISO 50001:2018 5.2e) and to achieving Energy Performance Improvement (ISO50001:2018 5.2)

MSS includes a commitment to comply with energy use, consumption, and efficiency; (ISO 50001:2018 5.2f) and to ensure the availability of information and all necessary resources to achieve objectives and targets. (ISO 50001:2018 5.2c).

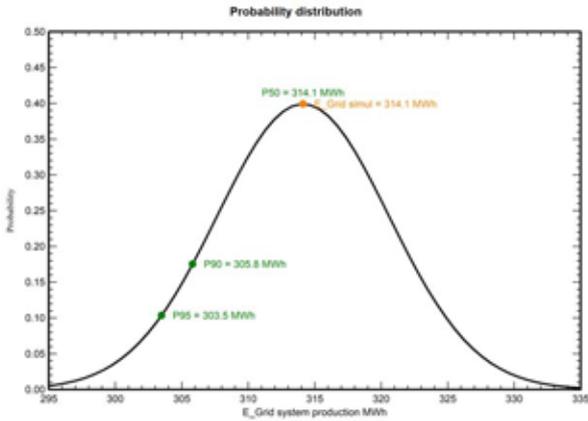
MSS supports the purchase of energy-efficient products and services, and designs for Energy Performance and Improvement. (ISO50001:20185.2g).

TABLE 3: FUEL OIL USAGE AND ASSOCIATED AIR POLLUTANTS, FY2022

		2017	2018	2019	2020	2021	2022
Fuel Oil Consumption	Litre	10,971	11,697	9,692	9,079	8,850	7,361
SOx	Tonnes	1,199	1,247	1,061	994	968	N/A
NOx	Tonnes	1,211	1,302	1,108	1,038	1,011	N/A

Mermaid has also invested in efforts to reduce energy consumption-related emissions. The company has conducted a solar rooftop installation project which is expected to be completed and fully operating by March 2023.

According to Mermaid’s calculation, the emissions saved \$P95 on an annual basis is equal to 129,000t CO2e with 303.6 MWh energy generated each year.



Annual production probability

Variability	6.5 MWh
P50	314.1 MWh
P90	305.8 MWh
P95	303.5 MWh





WATER & WASTEWATER MANAGEMENT

In 2022, total water consumption reached 223.5 megaliters, with 8,517.2 megaliters of water withdrawal and 8,286 megaliters of water discharge. Produced water forms the biggest share in total water withdrawal, accounting for 79%. In terms of water use across subsidiaries, Saudi Arabia at 54% comes up as the highest.

TABLE 4: WATER RELATED METRICS, MEGALITERS, FY2022

Water Withdrawal	8517.2
Seawater	8.1
Produced Water	6695.1
Third Party	1814.0
Water Discharge	8286.0
Water Consumption	223.5

FIGURE 5: WATER WITHDRAWAL BY SOURCE

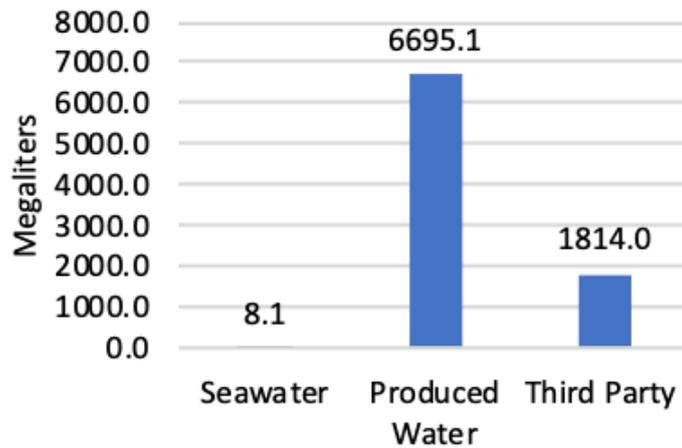
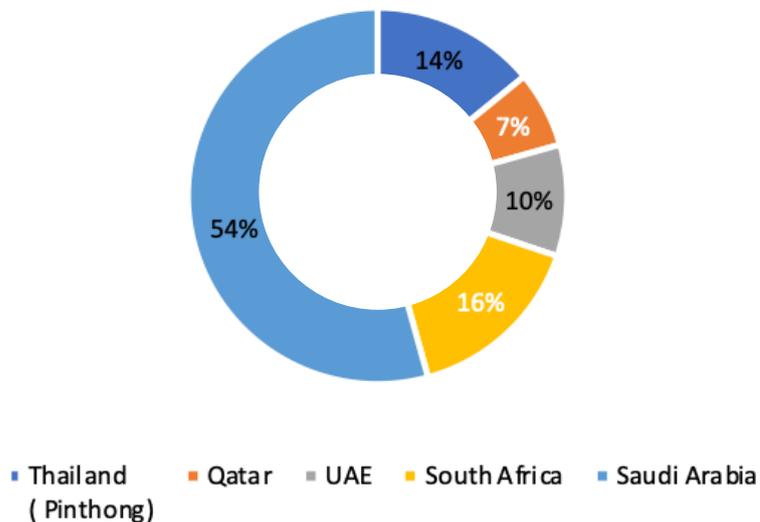


FIGURE 6: WATER USE BREAKDOWN BY SUBSIDIARIES, FY2022





WASTE & HAZARDOUS MATERIALS MANAGEMENT

The total waste generated in FY2022 stood at 1,041 metric tonnes, with plastic, bilge water and waste oil being the top 3 biggest sources. In terms of volume, Thailand (Pinthong) generated the maximum waste followed by Saudi Arabia, UAE and South Africa.

Waste diverted from disposal was 45 metric tonnes whereas waste directed to disposal was 1,581 metric tonnes.

For waste directed to disposal operations, methods other than incineration and landfilling dominated for non-hazardous waste, whereas landfilling was the top method for hazardous waste.

FIGURE 7: WASTE BY COMPOSITION, FY2022

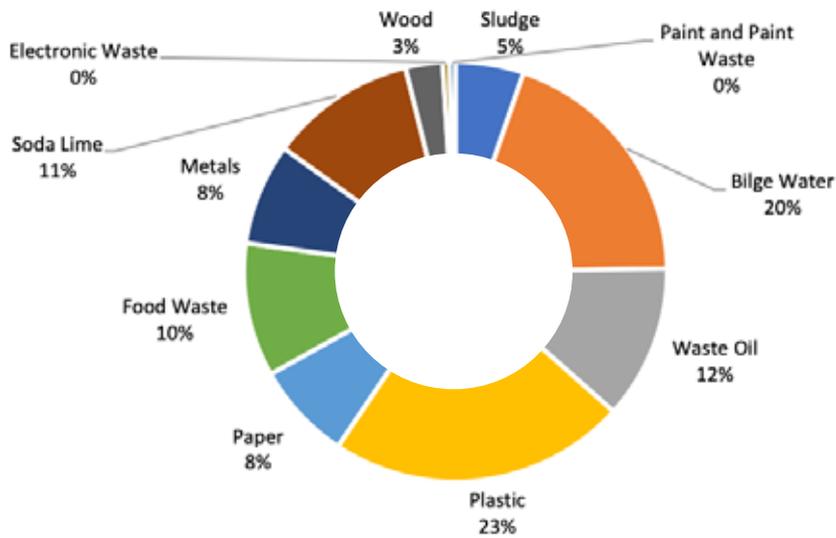
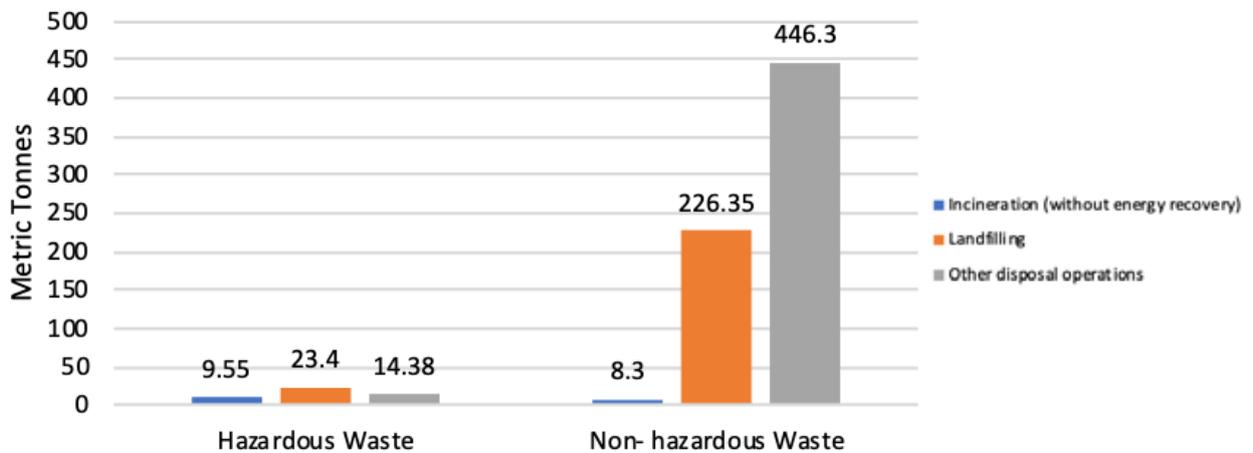


TABLE 8: WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATIONS



MERMAID ASIANA AND VAN GOGH VESSELS



Mermaid Asiana is on service for Saudi Aramco's IRM project as Saturation DSV in 2022. 2010 - DP2 DSV 12 man SAT system 100 berths



Mermaid Van Gogh is on service for Sapura/ HESS DP DSV support T&I in 2022.

ECOLOGICAL IMPACT

Mermaid is fully aware of the ecological impact from its marine business operations. The fleet vessels are complied with IMO requirement and Ballast Water Management. Flag approval on Ballast Water Management Plan are available onboard for individual vessel.

Ballast water exchange is defined by Regulation D1 of the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) and requires that ships performing ballast water exchange do so with an efficiency of at least 95 percent volumetric exchange of ballast water. Ballast water treatment includes implementation of an integrated system of ballast water treatment equipment that is approved by the U.S. Coast Guard or by another governmental administration to meet the performance criteria in Regulation D2 of the BWM.

In addition, Mermaid engaged in removing waste from seawater operations in Africa and diverted 22.5 tons of waste from the MED Salvage operations in Africa in FY2022.



**SOCIAL
IMPACT**



ENGAGEMENT, DIVERSITY AND INCLUSION

Overall, the company has male representation at the Board (5%), Executive (4%) and Non-Executive level (91%). Females are present in the non-executive level. The largest age group in the company where employees are in the Board or Executive level are over 50 (17%).

TABLE 9: GROUP DIVERSITY AND EMPLOYEE REPRESENTATION (ACTIVE EMPLOYEES), FY2022

Diversity		Board	Executive	Non-Executive	Total
Gender	Male	5%	4%	91%	100%
	Female	0%	0%	100%	100%
Age Group	Under 30	0%	0%	100%	100%
	30-50	1%	3%	96%	100%
	Over 50	14%	3%	83%	100%

FIGURE 10: GENDER REPRESENTATION, FY2022

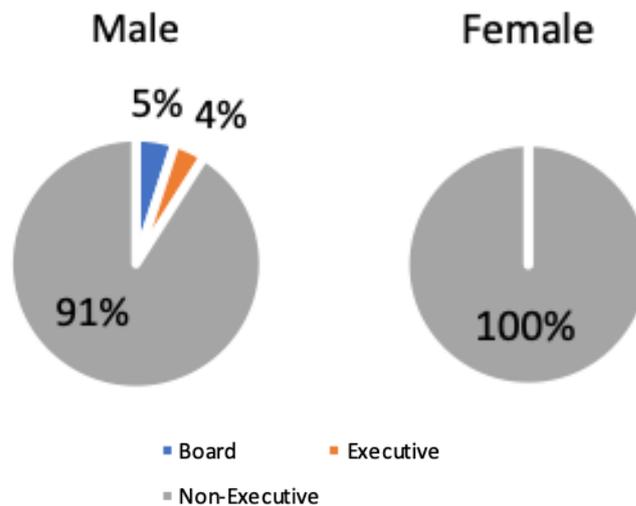
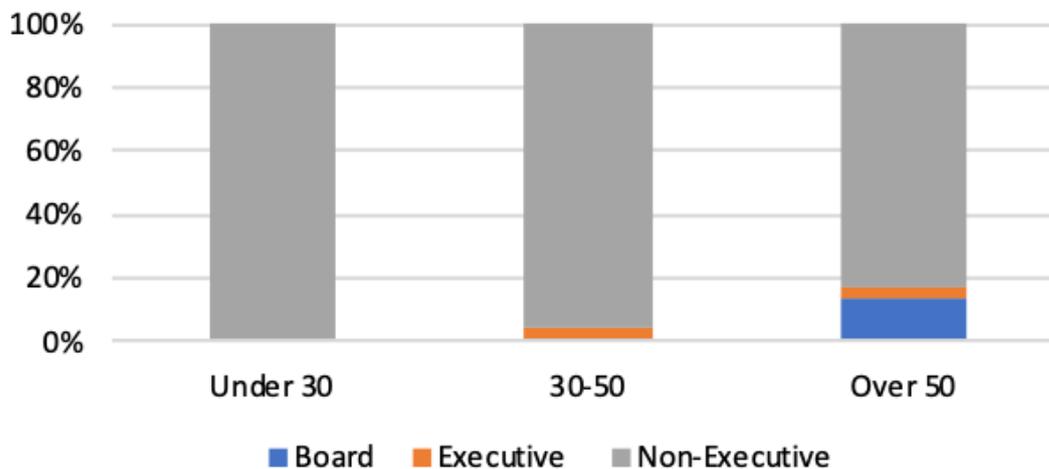


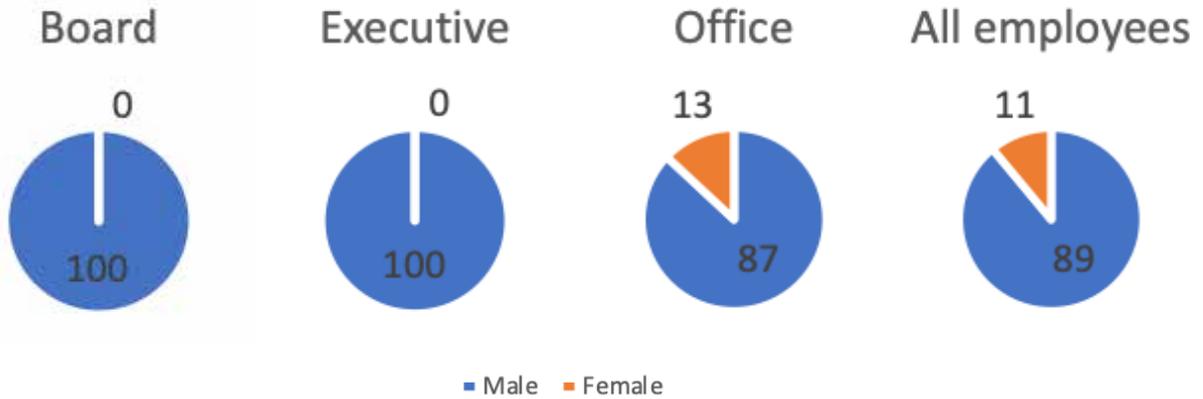
FIGURE 11: AGE GROUP BREAKDOWN BY POSITION, FY2022



DIVERSITY AND INCLUSION

The company's ratio of basic salary and remuneration by gender is 8:1 for male vs female. The difference is mainly due to the differences between male vs female for the Non-Executive/Board positions.

FIGURE 12: RATIO OF BASIC SALARY AND REMUNERATION FOR MEN AND WOMEN, FY2022



TRAINING AND DEVELOPMENT

The management aims to balance the desire to encourage and develop the individual as a human being with the Company's need for productivity and efficiency.

All of the MMS Directors have already attended the sustainability training with ISCA and one director has attended this session with SID.

TABLE 13: TRAINING AND DEVELOPMENT PRACTICES

Employee Group	Category	Average hours of training that the employees have undertaken during the reporting year	Percentage of total employees who receive a regular performance review and career development review during the reporting period
Gender	Male	6.00	51%
	Female	11.55	82%
Age Group	Under 30	2.00	0.00
	30-50	9.67	64%
	Over 50	1.20	56%

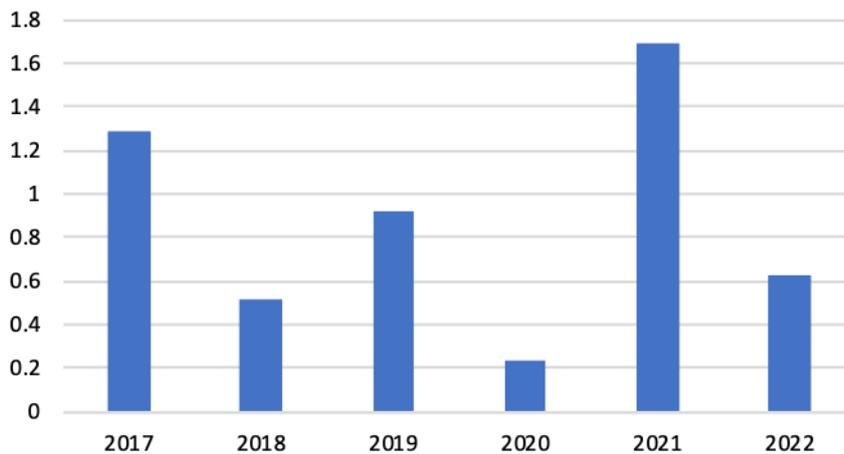
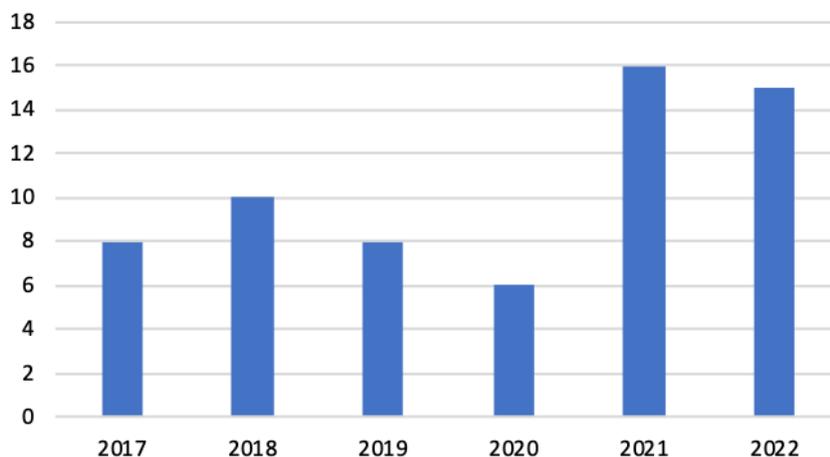
TABLE 14: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

		Board	Executive	Office	Non-office	Total
Gender	Male	0	3%	48%	0	51%
	Female	0	0	82%	0	82%

EMPLOYEE HEALTH & SAFETY

The Total Recordable Injury Rate (TRIR) in FY2022 was 0.62. The Loss Time Incident Rate was recorded at 0.31 and the fatality rate was zero. There were 15 Near Miss cases in FY2022.

The Company provides a Safety, Health, Environment, Quality, and Security (“SHEQS”) System of procedures and instructions for the safe operation of company vessels. It commits to continually improving performance by monitoring, measuring, and revising systems and procedures toward safety, health and the prevention of pollution. The SHEQS system is compliant with the requirements of ISM, ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

FIGURE 15: TOTAL RECORDABLE INJURY RATE, FY2017-FY2022**FIGURE 16: NEAR MISS CASE, FY2017-FY2022**

About 800 employees are workers who are not full-time employees but whose work and/or workplace are controlled by the organization and are covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines. Mermaid provided medical insurance to all employees and provided specific annual medical check-up packages for high-risk activity according to legal requirements and industry-recommended practices. The organization recorded an average of 2.5 days of health, safety, and emergency response training per person. This includes Offshore Training Requirements, Safety Induction, Refresh Training on Crane Operation, etc.

Description	Notes	Quantity	Detail (Please Complete)
High-consequence Work-related Injury		0	N/A
Fatality Rate		0	N/A
Near Miss Frequency Rate (NMFR)		4.63	Near Miss Case 15 Case
Total Vehicle Incident Rate (TVIR)		0	N/A
Average hours of health, safety and emergency response training		2.5 day/person	<ul style="list-style-type: none"> - Offshore Training Requirements - Safety Induction - Refresh Training on Crane Operation - Forklift Operation Training & Safety Driving - PTW/ WAH/CSE Safety Training - R&O Training, Internal Auditor (IMS for ISO9001 14001 45001) - Safety Officer in Executive Level
Total hours worked		3,238,433	N/A
Work-related ill health	The number of fatalities as a result of work-related ill health	0	N/A
	The number of cases of recordable work-related ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness	0	N/A

Description	Details
MSS Safety Health and Environment Policy	<p>MSS is committed to:</p> <ol style="list-style-type: none"> 1. Providing safe and healthy working conditions for the prevention of work-related injury and ill health. 2. These conditions are appropriate to the purpose, size and context of our organization and specific to the nature of the OH&S risks and opportunities that we face; 3. Providing a framework for setting OH&S objectives; 4. Fulfilling legal and other requirements; 5. Elimination of hazards and reduction OH&S risks; 6. Continual improvement of the MSS Group SHEQS Management System; 7. Extended Consultation and Participation of workers, and workers' representatives
MSS Drug and Alcohol Policy	<ul style="list-style-type: none"> · To ensure MSS to complies with its policies as a responsible employer, the Company states categorically that the abuse of drugs or alcohol by any Manager, Employee, Subcontractor or another person whilst under the care or direction of the Company will not be tolerated under any circumstances. · The possession of alcohol for consumption on Company premises or in any work location is totally prohibited. · The possession of dangerous weapons on Company premises or work locations is totally prohibited. · There is a mandatory alcohol test for personnel prior to traveling offshore.
MSS Fatigue Policy	<p>Understanding that there is a direct correlation between accidents and time worked, MSS requires that all business units implement and maintain the following for all worksites:</p> <ul style="list-style-type: none"> · The maximum period that can be worked offshore by any MSS employee or direct Contractor will normally be 60 days. All 3rd parties will be actively encouraged to adopt this regime. · The maximum period that can be worked onshore by any MSS employee will be normally 42 days <p>* Exceptions shall be considered on a 'case by case' basis as the needs or requirements of a particular individual/group, and/or uncontrollable situations arise.</p> <ul style="list-style-type: none"> · The maximum shift that can be worked offshore by any MSS Employee or Contractor will normally be 12 hours in 24 hours, followed by a minimum of 10 hours of uninterrupted rest. Where any employee is required to work longer than 12 hours for operational reasons, the maximum allowable time period shall not exceed 2 hours, but the person will have no less than 77 hours rest in any 7 days period and this is subject to Management approval. · Saturation exposure shall normally be limited to 28 days seal-to-seal.

LABOR PRACTICES

FIGURE 17: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVER BY GENDER

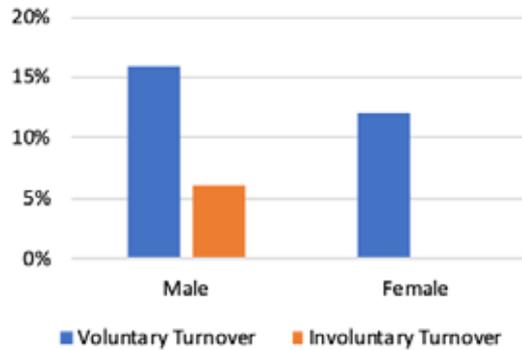


FIGURE 18: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVER BY AGE

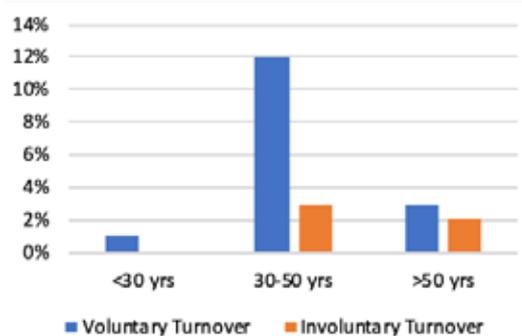
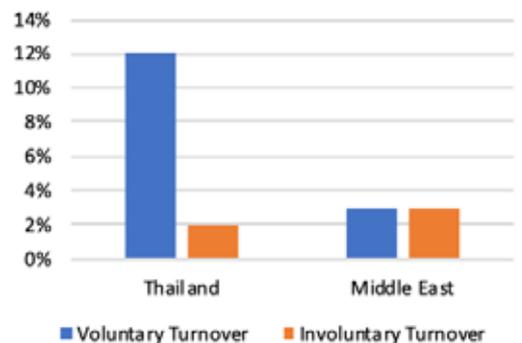


FIGURE 19: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVER BY GEOGRAPHY



Voluntary and involuntary turnover rates are highest for employees between 30-50 and lowest for the age group below 30. By gender, voluntary turnover rates are much higher for male while the involuntary turnover rate for females is zero. Middle East is marginally higher in involuntary turnover whereas Thailand exceeds Middle East’s voluntary turnover rate.

Benefits provided to full-time employees include Savings Scheme, Bonus and pay rise and monthly allowance. The organization provides 20 to 4 weeks’ worth of notice to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.

There are no child labor or young workers in the Company, and no forced or compulsory labor.

Industrial Relations procedures comply with the requirements of the Labor Laws as prescribed within the Country of operations, and/or such industrial relations employer bodies that Mermaid may participate in.

HUMAN RIGHTS & COMMUNITY RELATIONS

Description	Details
MSS Anti-Harassment and Discrimination Policy	<p>Workplace harassment, discrimination and bullying will not be tolerated in MSS. Managers and Supervisors are accountable for monitoring the workplace and reinforcing the harassment and discrimination procedure with employees.</p> <p>MSS will:</p> <ul style="list-style-type: none"> · Handle complaints promptly with confidentiality, impartiality and with sensitivity to the complainant's needs; · Ensure employees making complaints of workplace harassment and discrimination are not disadvantaged in their employment conditions or opportunities.
MSS Anti-Slavery and Human Trafficking Policy	<p>MSS Executives have overall responsibility for ensuring this policy complies with Company legal and ethical obligations, and that all those under control are in compliance.</p> <p>MSS will:</p> <ul style="list-style-type: none"> · Handle complaints promptly with confidentiality, impartiality and with sensitivity to the complainant's needs; · Ensure employees making complaints of workplace anti-slavery or human trafficking are not disadvantaged in their employment conditions or opportunities. · MSS's Anti-Slavery and Human Trafficking procedure applies to all personnel, including part-time, full-time and casual employees, contractors and visitors
MSS Corporate Social Responsibility Policy	<p>The Company believes in the ten principles set out in the UN Global Compact, and that the fundamental responsibilities as a business include:</p> <ul style="list-style-type: none"> · Supporting and respecting the protection of human rights · Ensuring that we are not complicit, knowingly or unknowingly, in human rights abuses · Upholding freedom of association and recognition of the right to collective bargaining · Supporting the abolition of child labour · Eliminating all forms of forced or compulsory labour, such as people trafficking · Eliminating discrimination in respect of employment and occupation · Supporting a precautionary approach to environmental challenges · Undertaking initiatives to promote greater environmental responsibility · Encouraging the development and diffusion of environmentally friendly technologies · Working against corruption in all its forms, including extortion and bribery

CORPORATE SOCIAL RESPONSIBILITY

Mermaid's community service activities include donating mattress, mats and blankets to Pattaya Orphanage (April 2022) and joining the TTA voluntary program on garbage collection in areas surrounding sea turtle breeding at Ko Mun Nai, Rayong (October 2022).



DATA SECURITY

Mermaid worked with external IT cyber security auditor-Grant Thornton for Cyber security compliance certificate. Mermaid checked with the standard compliance from Microsoft with monthly Windows security patches for all of UAT and PRD servers for the IT security compliance.

Email and Internet Usage: the Company's email and internet system(s) are primarily for business use; however occasional and reasonable personal use is permitted provided that this does not interfere with your performance or the operation of the company's business or the system itself.

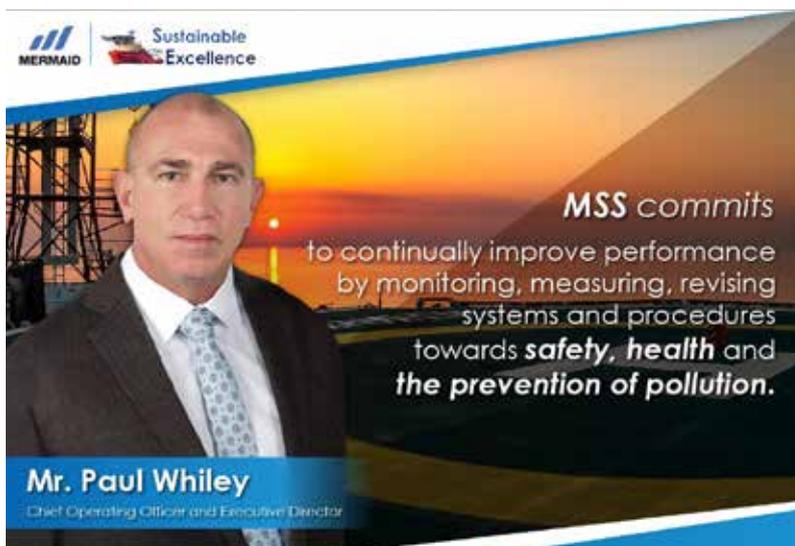
The Company will not tolerate offensive emails. There is a responsibility to draft all emails carefully taking into account possible repercussions in relation to discrimination, harassment, company representation and defamation issues.

Software installation, testing and upgrades: all software for use at MSS should be obtained from legal sources via the IT department and all changes and upgrades to programs and software must be properly authorised and tested in a test environment before moving to the live environment.

Confidential Data: All data and information not in the public domain, relating to MSS's business and its employees, must remain confidential at all times. Using Company systems for private business or private financial gain is strictly prohibited.

PRODUCT QUALITY AND SAFETY

Description	Details
MSS Quality Policy	<p>The Company is committed to maintaining all standards, requirements, laws and regulations in relation to the final deliverable 'product' Quality (inclusive of both Assurance and Control) without sacrificing Safety in any way. For example, the company is actively monitoring Customer feedback in relation to Quality Assurance and Control.</p> <p>This system of Management is designed to allow total compliance with regulatory and Clients' requirements. Company Quality Objectives have been established and include:</p> <ol style="list-style-type: none"> 1. Customer satisfaction, ensuring that the reporting and actions resulting from customer feedback and/or complaints, non-conformances and audit findings are completed timely and effectively. 2. On-time delivery and completion of projects to required specifications 3. Accuracy of work and data produced to required specifications 4. Continuous improvement and development of Company processes and personnel with a training target of 3% overall man hours 5. Continuous development and implementation of a quality Management system to achieve these objectives require the full cooperation and commitment of all management and employees



GOVERNANCE



BUSINESS ETHICS

Mermaid has not recorded any incidents of corruption or any public legal cases regarding corruption.

Mermaid has an internal policy in place that establishes an internal whistle-blower reporting channel. This policy states that every worker has the right, responsibility, and authority to stop an activity in the event they observe an unsafe working condition or imminent threat to safety.

Mermaid Subsea Services (Known as MSS or the Company), through its Board of Directors and its Executive Committee, makes the following commitments:

- We are committed to a zero-tolerance approach to bribery and corruption. Bribery and corruption are never acceptable by or on behalf of MSS - we will not tolerate them in our business or by those we do business with.
- We are committed to acting fairly, honestly, openly and in an ethical manner in all our business dealings and relationships wherever we operate.
- We are committed to upholding applicable national and international laws and regulations relevant to countering bribery and corruption wherever we operate.
- We are committed to implementing and enforcing effective systems within MSS to counter the risk of bribery and corruption.

Global Anti-Bribery and Corruption Policy

- Our Global Anti-Bribery and Corruption Policy supports our Anti-Bribery and corruption commitments.
- It sets out in practical terms how you should behave and what you should do if you are confronted with bribery and/or corruption.
- We expect all of you to comply with the Policy at all times in all aspects of your work.

As a MSS employee you must not, whether directly or indirectly:

- Provide money or anything else of value to any person: (1) with the intention of obtaining, retaining or rewarding any improper commercial or another advantage, or (2) to induce any person to act improperly or to reward them for doing so, or (3) knowing or believing that acceptance by the other person would itself be improper; or
- Receive money or anything else of value where you know or suspect that: (1) it is offered or provided either with the intention of inducing any person to provide any improper commercial or other advantage or to act improperly, or as a reward for doing so, or (2) the request itself is improper.

MANAGEMENT OF LEGAL AND REGULATIONS

MSS marine fleet strictly complied with regulations for the prevention of pollution by garbage from ships according to MARPOL.

The Company's Code of Business Conduct states Anti-Competitive Behavior guidelines in the 'Competition and Fair Dealing' for employees not to engage in unethical and illegal activities to seek for competitive advantages.

Mermaid has zero incidents of non-compliance with laws and regulations.

It is the policy of Mermaid Subsea Services (Known as MSS or the Company) to conduct its business in such a manner as to maintain harmonious industrial relations in all of the Company's operations.

Industrial Relations procedures shall comply, as a minimum, with the requirements of the Labor Laws as prescribed within the Country of operations, and/or such industrial relations employer bodies that MSS may participate in.

MSS shall continue to participate actively in meeting its obligations as a responsible employer and shall abide by the industrial relations rulings of the Country.

Industrial Relations within MSS shall be enhanced by a stringent Management Policy of:

- Maintaining a high level of cooperation with the appropriate labor bodies.
- Mutual benefit for personnel, whether employees or contractors to the Company
- Continuing consultation throughout all levels of the Company and with both Employer and Employee representative bodies.
- Ensuring Employer and Employee bodies are fully informed of Industrial Relations issues, resolutions and disputes within the Company.
- Allowing any grievances that cannot be resolved within the Company to be adjudicated and resolved by the appropriate authorities.

The responsibility to prepare, maintain and implement documented systems and procedures, to ensure compliance with Company Policy, Client requirements, and the agreed Industrial Relations Programs has been retained by the Human Resources Manager.

CRITICAL INCIDENT RISK MANAGEMENT

Mermaid has seen zero marine casualties and faced no port state control deficiencies and detentions.

TABLE 20: ACCIDENTS AND INCIDENTS

Description	Quantity
Number of marine casualties, percentage classified as very serious	0
Number of conditions of class or recommendations	0
Number of port state control (1) deficiencies and (2) detentions	0
Description of management systems used to identify and mitigate catastrophic and tail-end risks	0

MMS implements a strict fleet security policy. The policy is to ensure that all crewmembers, contractors and visitors are briefed on the rules regarding Access Control and Restricted Areas.

Necessary access to the ship shall not be prevented for emergency or humanitarian reasons and for security purposes if control measures have been initiated by officers duly authorized.

Everyone who boards MSS Vessels will be subject to identification, verification, and authorization prior to access being granted to the Vessel. Those unwilling or unable to establish their identity and/or confirm the purpose of the visit when requested to do so, will be reported to the CSO and SSO. The Port Facility Security Officer (PFSO) and Local Law Enforcement Agencies will also be informed.

ESG INDEX

Indicator	Description	Report Location	Metric ID
Environmental			
GHG Emissions	The category addresses direct (Scope 1) greenhouse gas (GHG) emissions that a company generates through its operations. This includes GHG emissions from stationary (e.g., factories, power plants) and mobile sources (e.g., trucks, delivery vehicles, planes), whether a result of combustion of fuel or non-combusted direct releases during activities such as natural resource extraction, power generation, land use, or biogenic processes. The category further includes management of regulatory risks, environmental compliance, and reputational risks and opportunities, as they related to direct GHG emissions. Indirect emissions (Scope 2) GHG emissions are also considered here.	11	TR-MT-110a.1,a.2 GRI 305-1a,2a,2b,3a,5 EM-SV-110a.2
Energy Management	The category addresses environmental impacts associated with energy consumption. It addresses the company's management of energy in manufacturing and/or for provision of products and services derived from utility providers (grid energy) not owned or controlled by the company. More specifically, it includes management of energy efficiency and intensity, energy mix, as well as grid reliance.	12-13	TR-MT-110a.3 EM-SV-110a.1 GRI 302-1,4
Water & Wastewater Management	The category addresses a company's water use, water consumption, wastewater generation, and other impacts of operations on water resources, which may be influenced by regional differences in the availability and quality of and competition for water resources. More specifically, it addresses management strategies including, but not limited to, water efficiency, intensity, and recycling. Lastly, the category also addresses management of wastewater treatment and discharge, including groundwater and aquifer pollution.	14	GRI 303-3,4,5
Waste Management	The category addresses environmental issues associated with hazardous and non-hazardous waste generated by companies. It addresses a company's management of solid wastes in manufacturing, agriculture, and other industrial processes. It covers treatment, handling, storage, disposal, and regulatory compliance.	15	GRI 306-3,4,5

Indicator	Description	Report Location	Metric ID
Ecological Impact	The category addresses management of the company's impacts on ecosystems and biodiversity through activities including, but not limited to, land use for exploration, natural resource extraction, and cultivation, as well as project development, construction, and siting. The impacts include, but are not limited to, biodiversity loss, habitat destruction, and deforestation at all stages – planning, land acquisition, permitting, development, operations, and site remediation. The category does not cover impacts of climate change on ecosystems and biodiversity.	17	TR-MT-160.a1,a2,a3 EM-SV-160.a1,2 GRI 304-2a,2b,3,4
Indicator	Description	Report Location	Metric ID
Social			
Employee Engagement, Diversity & Inclusion	The category addresses a company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base. It addresses the issues of discriminatory practices on the bases of race, gender, ethnicity, religion, sexual orientation, and other factors.	19,20,21	GRI 404-1,2a,2b GRI 405-1,2a,2b GRI 404-3
Employee Health & Safety	The category addresses a company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness (both chronic and acute). It is traditionally accomplished through implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of their own practices as well as those of their subcontractors	22,23,24	GRI 403-86,,9,10 EM-SV-320a.1 IF-EN-320a.1 TR-MT-320a.1
Labor Practice	The category addresses the company's ability to uphold commonly accepted labor standards in the workplace, including compliance with labor laws and internationally accepted norms and standards. This includes, but is not limited to, ensuring basic human rights related to child labor, forced or bonded labor, exploitative labor, fair wages and overtime pay, and other basic worker's rights. It also includes minimum wage policies and provision of benefits, which may influence how a workforce is attracted, retained, and motivated. The category further addresses a company's relationship with organized labor and freedom of association.	25	GRI 401-1,2,3 GRI 402-1 GRI 408-1 GRI 409-1

Indicator	Description	Report Location	Metric ID
Human Rights & Community Relations	The category addresses management of the relationship between businesses and the communities in which they operate, including, but not limited to, management of direct and indirect impacts on core human rights and the treatment of indigenous peoples. More specifically, such management may cover socio-economic community impacts, community engagement, environmental justice, cultivation of local workforces, impact on local businesses, license to operate, and environmental/social impact assessments.	26	GRI 411,413 EM-MM-210b.1 EM-MM-210a.1
Data Security	The category addresses management of risks related to collection, retention, and use of sensitive, confidential, and/or proprietary customer or user data. It includes social issues that may arise from incidents such as data breaches in which personally identifiable information (PII) and other user or customer data may be exposed.	28	GRI 418-1
Product Quality & Safety	The category addresses issues involving unintended characteristics of products sold or services provided that may create health or safety risks to end-users. It addresses a company's ability to offer manufactured products and/or services that meet customer expectations with respect to their health and safety characteristics. It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing, and chemicals/content/ingredient management in products.	29	IF-EN-250a.1,a.2
Governance			
Business Ethics	This category addresses the company's approach to managing risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities and other behavior that may have an ethical component.	31	GRI 205-2,3 TR-MT-510a EM-SV-510a IF-EN-510a
Management of the Legal & Regulatory Environment	The category addresses a company's approach to engaging with regulators in cases where conflicting corporate and public interests may have the potential for long-term adverse direct or indirect environmental and social impacts. The category addresses a company's level of reliance upon regulatory policy or monetary incentives (such as subsidies and taxes), actions to influence industry policy (such as through lobbying), overall reliance on a favorable regulatory environment for business competitiveness, and ability to comply with relevant regulations. It may relate to the alignment of management and investor views of regulatory engagement and compliance at large.	32	GRI 206-1 EM-SV-530a.1 GRI Disclosure 2-27

Indicator	Description	Report Location	Metric ID
Critical Incident Risk Management	The category addresses the company’s use of management systems and scenario planning to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities.	33	TR-MT-540a.1,2,3 EM-SV-540a.1 GRI 410-1

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MERMAID MARITIME PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

AND INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report

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 2022, 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 2022 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.	
The key audit matter	How the matter was addressed in the audit
<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 2022.</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"> • 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; • comparing forecast revenues to those achieved in prior periods; • evaluating the DCF methodology and key assumptions applied in the DCF model; • performing sensitivity tests by varying key assumptions; • assessing the competency and independence of management’s fair value less costs to sell valuation expert; • using the work of external experts engaged by KPMG in evaluating methodologies and key assumptions used in assessing the fair value of assets; and • considering the adequacy of the Group’s disclosures in accordance with the relevant Thai Financial Reporting Standards.

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.	
The key audit matter	How the matter was addressed in the audit
<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"> • 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; • assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable; • 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 • considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards.



Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

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

(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2023



STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

Assets	Note	Consolidated financial statements			
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current assets					
Cash and cash equivalents	4, 18	7,801	7,983	269,621	266,791
Current investments	18	-	2,874	-	96,049
Trade and other accounts receivable	3, 6, 18	63,931	75,698	2,209,609	2,529,820
Short-term loans to related parties	3, 18	1,250	-	43,203	-
Supplies and spare parts		948	346	32,765	11,563
Total current assets		73,930	86,901	2,555,198	2,904,223
Non-current assets					
Restricted deposit at financial institutions	5	8,405	8,187	290,497	273,609
Investment in associate	7	22,381	22,397	773,541	748,506
Investment in joint ventures	7	6,119	4,521	211,487	151,091
Long-term loan to related party	3, 18	-	1,082	-	36,160
Other non-current receivable to joint venture	3, 18	16,000	-	552,998	-
Investment properties	9	406	449	14,032	15,006
Property, plant and equipment	10	134,195	132,757	4,638,101	4,436,727
Right-of-use assets	11	29,355	203	1,014,579	6,784
Intangible assets		-	2,000	-	66,840
Deferred tax assets	16	616	57	21,290	1,905
Other non-current assets		84	78	2,903	2,607
Total non-current assets		217,561	171,731	7,519,428	5,739,235
Total assets		291,491	258,632	10,074,626	8,643,458

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	
		2022	2021	2022	2021
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current liabilities					
Trade and other accounts payable	3	54,178	42,763	1,872,521	1,429,134
Short-term borrowing from parent company	3, 12, 18	4,000	-	138,250	-
Current portion of long-term borrowing from parent company	3, 12, 18	5,000	3,000	172,812	100,260
Current portion of long-term borrowings from financial institution	12, 18	14,209	14,209	491,097	474,863
Current portion of lease liabilities	12	8,683	123	300,105	4,111
Current income tax payable		2,238	862	77,351	28,808
Total current liabilities		88,308	60,957	3,052,136	2,037,176
Non-current liabilities					
Long-term borrowing from parent company	3, 12, 18	-	2,000	-	66,840
Long-term borrowings from financial institution	12, 18	18,275	32,485	631,628	1,085,645
Lease liabilities	12	21,129	78	730,269	2,607
Deferred tax liabilities	16	19	-	657	-
Non-current provisions for employee benefits	13	2,820	2,437	97,466	81,444
Total non-current liabilities		42,243	37,000	1,460,020	1,236,536
Total liabilities		130,551	97,957	4,512,156	3,273,712

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	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Equity				
Share capital:				
Authorized share capital <i>(1,416,700,697 ordinary shares, par value at Baht 1 per share)</i>	-	-	1,416,701	1,416,701
Issued and paid share capital <i>(1,413,328,857 ordinary shares, par value at Baht 1 per share)</i>	47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	343,536	343,536	12,271,678	12,271,678
Deficit	(226,772)	(226,505)	(9,052,401)	(9,064,542)
Other components of equity	(3,392)	(3,392)	925,253	764,029
Equity attributable to owners of the parent	160,694	160,961	5,557,859	5,384,494
Non-controlling interests	246	(286)	4,611	(14,748)
Total equity	160,940	160,675	5,562,470	5,369,746
Total liabilities and equity	291,491	258,632	10,074,626	8,643,458

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	
		2022	2021	2022	2021
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current assets					
Cash and cash equivalents	4, 18	105	5,319	3,629	177,760
Other accounts receivable	3, 18	511	6,560	17,661	219,236
Short-term loan to related parties	3, 18	1,250	-	43,203	-
Total current assets		1,866	11,879	64,493	396,996
Non-current assets					
Investment in associate	7	22,507	22,507	777,896	752,182
Investment in joint venture	7	213	213	7,362	7,118
Investment in subsidiaries	8	55,370	55,370	1,913,720	1,850,460
Other non-current receivable to subsidiary	3, 18	27,474	15,204	949,567	508,116
Long-term loan to subsidiary	3, 18	30,632	32,796	1,058,715	1,096,039
Investment properties	9	1,336	1,495	46,175	49,963
Property, plant and equipment	10	100	90	3,456	3,009
Intangible assets		-	-	-	-
Right-of-use assets	11	264	202	9,124	6,751
Deferred tax assets	16	59	57	2,039	1,905
Other non-current assets		48	48	1,659	1,604
Total non-current assets		138,003	127,982	4,769,713	4,277,147
Total assets		139,869	139,861	4,834,206	4,674,143

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	
		2022	2021	2022	2021
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current liabilities					
Other accounts payable	3	706	714	24,401	23,861
Short-term borrowing from parent company	3, 12	4,000	-	138,250	-
Current portion of long-term borrowing					
from parent company	3, 12	5,000	3,000	172,812	100,260
Current portion of lease liabilities	12	106	122	3,664	4,077
Total current liabilities		9,812	3,836	339,127	128,198
Non-current liabilities					
Long-term borrowing from parent company	3, 12	-	2,000	-	66,840
Lease liabilities	12	139	78	4,804	2,607
Non-current provisions for employee benefits	13	358	317	12,373	10,594
Total non-current liabilities		497	2,395	17,177	80,041
Total liabilities		10,309	6,231	356,304	208,239
Equity					
Share capital:					
Authorized share capital					
(1,416,700,697 ordinary shares,					
par value at Baht 1 per share)		-	-	1,416,701	1,416,701
Issued and paid share capital					
(1,413,328,857 ordinary shares,					
par value at Baht 1 per share)		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		(261,326)	(257,256)	(9,641,448)	(9,502,409)
Other components of equity		28	28	434,343	283,306
Total equity		129,560	133,630	4,477,902	4,465,904
Total liabilities and equity		139,869	139,861	4,834,206	4,674,143

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	
		2022	2021	2022	2021
	(in thousand US Dollar)		(in thousand Baht)		
Income					
Revenue from rendering of services	3	223,935	111,592	7,905,754	3,605,269
Interest income		126	14	4,571	441
Other income	3	1,247	2,633	43,982	84,857
Total income		225,308	114,239	7,954,307	3,690,567
Expenses					
Costs of rendering of services	3, 15	206,480	113,225	7,266,036	3,660,601
Administrative expenses	3, 15	15,452	14,395	540,958	461,088
Net loss on foreign exchange		1,033	444	37,440	14,210
Finance costs		3,317	1,629	118,177	51,997
Total expenses		226,282	129,693	7,962,611	4,187,896
Share of profit of joint ventures and associates accounted for using equity method		2,897	533	100,145	18,823
Profit (loss) before income tax expense		1,923	(14,921)	91,841	(478,506)
Tax expense	16	1,585	750	57,685	23,524
Profit (loss) for the year		338	(15,671)	34,156	(502,030)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		-	(1,259)	-	(42,023)
Translation adjustments		-	-	161,224	578,057
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	13	(73)	302	(2,656)	10,074
Other comprehensive income (expense) for the year, net of tax		(73)	(957)	158,568	546,108
Total comprehensive income (expense) for the year		265	(16,628)	192,724	44,078

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				
<i>Note</i>	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Profit (loss) attributable to:				
Owners of parent	(195)	(15,724)	14,761	(503,533)
Non-controlling interests	533	53	19,395	1,503
	338	(15,671)	34,156	(502,030)
Total comprehensive income (expense) attributable to:				
Owners of parent	(267)	(16,619)	173,365	44,645
Non-controlling interests	532	(9)	19,359	(567)
	265	(16,628)	192,724	44,078
Basic earnings (losses) per share				
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings (losses) per share	17	(0.0001)	(0.0111)	0.0104
		(0.3563)		

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	
		2022	2021	2022	2021
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Income					
Management fee income	3	420	420	14,727	13,402
Interest income	3	895	952	31,366	30,423
Other income	3	343	437	12,047	13,814
Total income		1,658	1,809	58,140	57,639
Expenses					
Administrative expenses	3, 15	3,231	3,447	112,690	109,495
Impairment loss	3	-	21,936	-	722,087
Net loss on foreign exchange		2,116	4,338	71,113	133,758
Finance costs		383	24	13,449	776
Total expenses		5,730	29,745	197,252	966,116
Loss before income tax expense		(4,072)	(27,936)	(139,112)	(908,477)
Tax expense (income)	16	(2)	1	(73)	(149)
Loss for the year		(4,070)	(27,937)	(139,039)	(908,328)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Translation adjustments		-	-	151,037	521,241
<i>Items that will not be reclassified to profit or loss</i>					
Loss on remeasurement of defined benefit plans	16	-	(4)	-	(134)
Other comprehensive income (expense) for the year, net of tax		-	(4)	151,037	521,107
Total comprehensive income (expense) for the year		(4,070)	(27,941)	11,998	(387,221)
Basic losses per share					
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic losses per share	17	(0.0029)	(0.0198)	(0.0984)	(0.6427)

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							Total equity
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Translation of financial statements	Share-based payment interests	Changes in ownership interests	Total other components of equity	
Year ended 31 December 2021								
Balance at 1 January 2021	47,322	343,536	(211,082)	1,196	28	(3,420)	(2,196)	177,580
Comprehensive income (expense) for the year								
Profit or loss	-	-	(15,724)	-	-	-	-	(15,724)
Other comprehensive income	-	-	301	(1,196)	-	-	(1,196)	(895)
Total comprehensive income (expense) for the year	-	-	(15,423)	(1,196)	-	-	(1,196)	(16,619)
Balance at 31 December 2021	47,322	343,536	(226,505)	-	28	(3,420)	(3,392)	160,961
Year ended 31 December 2022								
Balance at 1 January 2022	47,322	343,536	(226,505)	-	28	(3,420)	(3,392)	160,961
Comprehensive income (expense) for the year								
Profit or loss	-	-	(195)	-	-	-	-	(195)
Other comprehensive income	-	-	(72)	-	-	-	-	(72)
Total comprehensive income (expense) for the year	-	-	(267)	-	-	-	-	(267)
Balance at 31 December 2022	47,322	343,536	(226,772)	-	28	(3,420)	(3,392)	160,694

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			Non-controlling interests			
				Translation of financial statements	Share-based payment	Changes in ownership interests			Total other components of equity	
Year ended 31 December 2021										
Balance at 1 January 2021	1,413,329	12,271,678	(8,571,050)	346,181	874	(121,163)	225,892	5,339,849	(14,181)	5,325,668
Comprehensive income (expense) for the year										
Profit or loss	-	-	(503,533)	-	-	-	-	(503,533)	1,503	(502,030)
Other comprehensive income	-	-	10,041	538,137	-	-	538,137	548,178	(2,070)	546,108
Total comprehensive income (expense) for the year	-	-	(493,492)	538,137	-	-	538,137	44,645	(567)	44,078
Balance at 31 December 2021	1,413,329	12,271,678	(9,064,542)	884,318	874	(121,163)	764,029	5,384,494	(14,748)	5,369,746
Year ended 31 December 2022										
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 or loss	-	-	14,761	-	-	-	-	14,761	19,395	34,156
Other comprehensive income	-	-	(2,620)	161,224	-	-	161,224	158,604	(36)	158,568
Total comprehensive income (expense) for the year	-	-	12,141	161,224	-	-	161,224	173,365	19,359	192,724
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

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



STATEMENT OF CHANGES IN EQUITY

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Separate financial statements				
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Other components of equity Share-based payment	Total equity
Year ended 31 December 2021					
Balance at 1 January 2021	47,322	343,536	(229,315)	28	161,571
Comprehensive expense for the year					
Profit or loss	-	-	(27,937)	-	(27,937)
Other comprehensive income	-	-	(4)	-	(4)
Total comprehensive expense for the year	-	-	(27,941)	-	(27,941)
Balance at 31 December 2021	47,322	343,536	(257,256)	28	133,630
Year ended 31 December 2022					
Balance at 1 January 2022	47,322	343,536	(257,256)	28	133,630
Comprehensive expense for the year					
Profit or 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

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 (in thousand Baht)	Share-based payment	
Year ended 31 December 2021						
Balance at 1 January 2021	1,413,329	12,271,678	(8,593,947)	(238,809)	874	4,853,125
Comprehensive income (expense) for the year						
Profit or loss	-	-	(908,328)	-	-	(908,328)
Other comprehensive income	-	-	(134)	521,241	-	521,107
Total comprehensive income (expense) for the year			(908,462)	521,241	-	(387,221)
Balance at 31 December 2021	1,413,329	12,271,678	(9,502,409)	282,432	874	4,465,904
Year ended 31 December 2022						
Balance at 1 January 2022	1,413,329	12,271,678	(9,502,409)	282,432	874	4,465,904
Comprehensive income (expense) for the year						
Profit or loss	-	-	(139,039)	-	-	(139,039)
Other comprehensive income	-	-	-	151,037	-	151,037
Total comprehensive income (expense) for the year			(139,039)	151,037	-	11,998
Balance at 31 December 2022	1,413,329	12,271,678	(9,641,448)	433,469	874	4,477,902

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	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	338	(15,671)	34,156	(502,030)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax expense	1,585	750	57,685	23,524
Finance costs	3,317	1,629	118,177	51,997
Depreciation	18,726	14,776	663,401	472,276
Amortisation	-	13	-	400
(Reversal of) expected credit loss	(505)	688	(18,381)	22,590
Unrealised gain on exchange	(812)	(5,075)	(24,153)	(159,310)
Gain from revaluation of trading securities	-	(3)	-	(148)
Gain from sale of trading securities	(2)	(132)	(73)	(4,118)
Loss from revaluation of investment in mutual fund	-	129	-	4,306
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	(2,897)	(533)	(100,145)	(18,823)
Gain on liquidation of subsidiary	-	(1,258)	-	(41,990)
Gain on disposal of investment in joint venture	(31)	-	(1,025)	-
Gain on disposals of property, plant and equipment and intangible assets	(85)	(791)	(2,824)	(24,407)
Interest income	(126)	(14)	(4,571)	(441)
Provision for employee benefits	517	397	17,963	12,600
Loss from write-off non-refundable withholding tax	501	508	17,718	16,419
	20,522	(4,587)	757,796	(147,155)
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institutions	(218)	1,006	(7,535)	33,620
Trade and other current receivables	415	(20,204)	14,343	(675,215)
Supplies and spare parts	(601)	8	(20,772)	267
Other non-current assets	(6)	1	(207)	33
Trade and other current payables	10,988	21,574	379,772	721,000
Exchange rate losses from translating financial statements	-	(1)	-	(33)
Translation adjustments	-	-	(36,557)	117,528
Net cash generated from (used in) operations	31,100	(2,203)	1,086,840	50,045
Provision for employee benefit paid	(153)	(73)	(5,325)	(2,371)
Taxes paid	(2,557)	(580)	(88,608)	(18,080)
Net cash from (used in) operating activities	28,390	(2,856)	992,907	29,594

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	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Cash flows from investing activities				
Proceed from sale of current investments	2,880	18,790	99,540	627,960
Acquisition of current investments	-	(11,945)	-	(399,201)
Increase in short-term loan to related party	(1,250)	-	(43,203)	-
Proceeds from long-term loan to related party	1,092	-	37,742	-
Increase in long-term loan to related party	-	(1,140)	-	(38,099)
Proceeds from sale of property, plant and equipment and intangible assets	2,087	2,275	72,131	76,030
Acquisition of property, plant and equipment and intangible assets	(14,931)	(24,638)	(516,051)	(823,399)
Proceeds from sale of interest in joint venture	31	-	1,071	-
Acquisition of interest in joint venture	-	(2,557)	-	(85,455)
Interest received	105	14	3,629	468
Net cash used in investing activities	(9,986)	(19,201)	(345,141)	(641,696)
Cash flows from financing activities				
Proceeds from borrowings from financial institution	-	4,492	-	150,122
Repayment of borrowings from financial institution	(14,272)	(15,268)	(493,275)	(510,255)
Proceeds from short-term borrowing from parent company	4,000	-	138,250	-
Proceeds from long-term borrowing from parent company	-	5,000	-	167,100
Payment of lease liabilities	(5,454)	(228)	(188,503)	(7,620)
Interest paid	(2,208)	(1,569)	(77,886)	(50,056)
Net cash used in financing activities	(17,934)	(7,573)	(621,414)	(250,709)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	470	(29,630)	26,352	(862,811)
Effect of exchange rates changes on cash and cash equivalents	(652)	(143)	(23,522)	(4,479)
Net increase (decrease) in cash and cash equivalents	(182)	(29,773)	2,830	(867,290)
Cash and cash equivalents at 1 January	7,983	37,756	266,791	1,134,081
Cash and cash equivalents at 31 December	7,801	7,983	269,621	266,791
Non-cash transactions				
Acquisition of interest in joint venture	15	136	518	4,545
Receivable for sales of support vessel	-	16,000	-	534,718
Payables for purchase of property, plant and equipment	813	551	28,099	18,414
Lease agreements for purchase of equipment	34,071	-	1,177,576	-
Dividend receivable from joint venture	1,330	-	45,968	-

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



STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Separate financial statements			
	Year ended 31 December 2022		Year ended 31 December 2021	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Loss for the year	(4,070)	(27,937)	(139,039)	(908,328)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax expense (income)	(2)	1	(73)	(149)
Finance costs	383	-	13,449	-
Depreciation	333	376	11,659	12,016
Amortization	-	5	-	158
Unrealised (gain) loss on exchange	1,887	5,453	62,883	167,739
Impairment loss	-	21,936	-	722,087
Gain from revaluation of trading securities	-	-	-	(28)
(Gain) loss from sale of trading securities	(2)	37	(73)	1,220
Gain on disposal of property, plant and equipment	-	(3)	-	(94)
Interest income	(895)	(952)	(31,366)	(30,423)
Provision for employee benefits	45	41	1,574	1,321
Loss from write-off non-refundable withholding tax	55	-	1,892	-
	(2,266)	(1,043)	(79,094)	(34,481)
<i>Changes in operating assets and liabilities</i>				
Receivables from related parties	4,564	(5,877)	157,743	(196,409)
Other accounts receivable	-	5	-	167
Other non-current assets	(10,127)	(17,473)	(350,013)	(583,946)
Other accounts payable	(44)	(17)	(1,520)	(568)
Translation adjustments	-	-	7,238	88,058
Net cash used in operations	(7,873)	(24,405)	(265,646)	(727,179)
Provision for employee benefit paid	(4)	(6)	(146)	(200)
Taxes paid	(6)	(7)	(288)	(224)
Net cash used in operating activities	(7,883)	(24,418)	(266,080)	(727,603)
<i>Cash flows from investing activities</i>				
Proceeds from sale of current investments	2	8,907	69	297,671
Acquisition of current investments	-	(8,945)	-	(298,941)
Increase in short-term loans to related party	(1,955)	-	(67,569)	-
Proceeds from long-term loan to related party	1,107	-	38,261	-
Increase in long-term loans to related party	-	(1,140)	-	(38,099)
Proceeds from sale of property, plant and equipment	-	3	-	100
Acquisition of property, plant and equipment	(34)	(11)	(1,175)	(368)
Acquisition of interest in subsidiaries	-	(8)	-	(267)
Interest received	12	2	415	67
Net cash used in investing activities	(868)	(1,192)	(29,999)	(39,837)

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

STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

	Separate financial statements			
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowing from parent company	4,000	-	138,250	-
Proceeds from long-term borrowing from parent company	-	5,000	-	167,100
Payment of lease liabilities	(162)	(225)	(5,599)	(7,519)
Finance costs paid	(274)	-	(9,781)	-
Net cash from financing activities	3,564	4,775	122,870	159,581
Net decrease in cash and cash equivalents, before effect of exchange rates	(5,187)	(20,835)	(173,209)	(607,859)
Effects of exchange rate changes on cash and cash equivalents	(27)	26	(922)	810
Net decrease in cash and cash equivalents	(5,214)	(20,809)	(174,131)	(607,049)
Cash and cash equivalents at 1 January	5,319	26,128	177,760	784,809
Cash and cash equivalents at 31 December	105	5,319	3,629	177,760
<i>Non-cash transactions</i>				
Payables for purchase of property, plant and equipment	2	-	69	-
Lease agreements for purchase of equipment	199	199	6,878	6,651

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



NOTES TO THE FINANCIAL STATEMENTS

Mermaid Maritime Public Company Limited and Its Subsidiaries
For the year ended 31 December 2022

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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 27 February 2023.

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, 9th 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 2022, the Group and the Company has negative working capital of US Dollar 14.4 million and US Dollar 7.9 million, respectively. During the year, the Group has generated net profit of US Dollar 0.3 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. Subsequently, the Company received a new borrowing from parent company of US Dollar 7.5 million to be reserved for working capital.

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. (formerly Thor Friendship Shipping Pte Ltd.)	Singapore	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

Significant transactions with related parties Year ended 31 December

	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Parent				
Administrative expenses	59	6	2,091	205
Finance costs	367	9	12,871	292
Joint venture				
Rendering of services	65,923	58,478	2,319,441	1,871,234
Other income	426	745	14,869	23,825
Costs of rendering of services	6,627	2,008	223,422	66,992
Administrative expenses	1	-	33	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	753	941	26,358	29,960
Post-employment benefits	11	6	364	190
Total key management personnel compensation	764	947	26,722	30,150
Other related parties				
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	54	58	1,889	1,852

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Parent				
Administrative expenses	45	2	1,584	71
Finance cost	367	9	12,888	292
Subsidiaries				
Management fee income	420	420	14,727	13,430
Interest income	878	951	30,747	30,394
Other income	125	259	4,376	8,083
Administrative expenses	2	-	73	-
Joint Ventures				
Other income	230	210	8,122	6,742
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	753	941	26,358	29,960
Post-employment benefits	11	6	364	190
Total key management personnel compensation	764	947	26,722	30,150
Other related parties				
Administrative expenses	54	57	1,889	1,819
<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Trade accounts receivable				
Joint ventures	17,250	10,155	596,201	339,379
Total	17,250	10,155	596,201	339,379
Other receivables				
Associate	101	65	3,491	2,172
Joint ventures	1,332	16,000	46,037	534,718
Other related party	7,542	7,542	260,670	252,053
	8,975	23,607	310,198	788,943
Less allowance for expected credit loss	(7,542)	(7,542)	(260,670)	(252,053)
Net	1,433	16,065	49,528	536,890
Other non-current receivables				
Joint venture	16,000	-	552,998	-
Total	16,000	-	552,998	-
Loans to				
Joint venture	1,250	1,082	43,203	36,160
Other related party	18,350	18,350	634,220	613,255
	19,600	19,432	677,423	649,415
Less allowance for expected credit loss	(18,350)	(18,350)	(634,220)	(613,255)
Net	1,250	1,082	43,203	36,160

<i>Balances with related parties At 31 December</i>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Trade accounts payable				
Joint venture	903	633	31,210	21,155
Other related party	-	427	-	14,270
Total	903	1,060	31,210	35,425
Other accounts payable				
Parent	135	9	4,666	301
Other related party	617	617	21,325	20,620
Total	752	626	25,991	20,921
Short-term loan from				
Parent	4,000	-	138,250	-
Total	4,000	-	138,250	-
Long-term loan from				
Parent	5,000	5,000	172,812	167,100
Total	5,000	5,000	172,812	167,100

Long-term borrowing for support working capital were granted by parent company and were denominated in US Dollar, having a total outstanding balance of US Dollar 5.0 million as at 31 December 2022 with the repayment terms postponed to June 2023. This borrowing bear interest at the rate 7% per annum.

During 2022, the Company has entered into short-term loan agreement with parent company for support working capital, amounting to US Dollar 4.0 million with interest rate at 7% per annum and the repayment is on call.

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 At 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Other receivables				
Subsidiaries	4,397	9,064	151,971	302,919
Associate	101	65	3,491	2,172
Joint venture	2	-	69	-
	4,500	9,129	155,531	305,091
Less allowance for expected credit loss	(4,247)	(2,809)	(146,787)	(93,876)
Net	253	6,320	8,744	211,215
Other non-current receivables				
Subsidiary	51,966	42,747	1,796,069	1,428,600
Less allowance for expected credit loss	(24,492)	(27,543)	(846,502)	(920,484)
Net	27,474	15,204	949,567	508,116

<i>Balances with related parties At 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Loans to				
Subsidiaries	59,317	61,489	2,050,137	2,054,956
Joint venture	1,250	-	43,203	-
Less allowance for expected credit loss	(28,685)	(28,693)	(991,422)	(958,917)
Net	31,882	32,796	1,101,918	1,096,039

<i>Expected credit losses Year ended 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Other non-current receivables	-	21,927	-	721,791

During 2021, the Company set-up partial impairment for other non-current receivables from Mermaid Subsea Services (Thailand) Ltd., a direct subsidiary, and later granted forgiveness amounting to US Dollar 21.9 million.

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

<i>Balances with related parties At 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Other accounts payable				
Parent	123	9	4,251	301
Subsidiaries	12	55	415	1,838
Total	135	64	4,666	2,139
Short-term loan from				
Parent	4,000	-	138,250	-
Total	4,000	-	138,250	-
Long-term loan from				
Parent	5,000	5,000	172,812	167,100
Total	5,000	5,000	172,812	167,100

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.

	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Cash on hand	68	79	2,350	2,640
Cash at bank	7,733	7,904	267,271	264,151
Total	7,801	7,983	269,621	266,791

	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Cash on hand	1	1	35	33
Cash at bank	104	5,318	3,594	177,727
Total	105	5,319	3,629	177,760

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 2022, US Dollar 8.3 million or equivalent to Baht 286.9 million (2021: US Dollar 8.0 million or equivalent to Baht 267.4 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 2022, US Dollar 0.1 million or equivalent to Baht 3.6 million (2021: US Dollar 0.2 million or equivalent to Baht 6.7 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			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Within credit terms	23,139	15,731	799,739	525,728
Overdue:				
Less than 3 months	7,337	17,227	253,584	575,725
3-6 months	1,582	5,768	54,678	192,766
6-12 months	1,005	1,310	34,735	43,780
Over 12 months	531	3,620	18,353	120,980
	33,594	43,656	1,161,089	1,458,979
Less allowance for expected credit loss	(605)	(4,032)	(20,910)	(134,749)
Net	32,989	39,624	1,140,179	1,324,230
Contract asset - accrued income	14,927	7,679	515,913	256,631
Retention receivables	7,619	6,513	263,331	217,664
Total	55,535	53,816	1,919,423	1,798,525

<i>Allowance for expected credit loss</i>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
At 1 January	4,032	3,344	134,749	100,444
Addition	541	885	18,930	28,894
Reversal	(1,046)	(197)	(37,576)	(6,303)
Write-off	(2,922)	-	(102,551)	-
Translation adjustments	-	-	7,358	11,714
At 31 December	605	4,032	20,910	134,749

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	
		2022	2021	2022	2021	2022	2021	2022	2021
<i>(in thousand US Dollar)</i>									
Associate									
<i>Direct associate</i>									
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	22,381	22,397
Total						22,507	22,507	22,381	22,397
Joint ventures									
<i>Direct joint venture</i>									
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	1,673	1,639
<i>Indirect joint ventures</i>									
ZeaQuest Co., Ltd.									
	Thailand	50.00	50.00	THB 155 million	THB 155 million	2,577	2,577	564	1,505
	Thailand	-	50.00	-	-	-	16	-	-
Total						2,926	2,942	3,882	4,521
	United Arab Emirates	50.00	50.00	AED 1 million	AED 1 million	136	136	3,882	1,377

Consolidated financial statements

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity	
			2022	2021	2022	2021	2022	2021	2022	2021
								<i>(in thousand Baht)</i>		
Associate										
<i>Direct associate</i>										
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	777,896	752,182	773,541	748,506
Total						777,896	752,812	773,541	748,506	
Joint ventures										
<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	7,362	7,118	57,823	54,775
<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	89,067	86,123	19,493	50,297
KK Venture Co., Ltd.	Technology-based businesses	Thailand	-	50.00	-	THB 1 million	-	535	-	-
Millennium 3 Ship Management and Operations DMCCO	Vessels management and operation	United Arab Emirates	50.00	50.00	AED 1 million	AED 1 million	4,700	4,545	134,171	46,019
Total						101,129	98,321	211,487	151,091	

Separate financial statements						
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost (in thousand US Dollar)
		2022	2021	2022	2021	
Associate						
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507
Total						22,507
Joint venture						
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213
Total						213
Separate financial statements						
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost (in thousand Baht)
		2022	2021	2022	2021	
Associate						
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	777,896
Total						777,896
Joint venture						
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	7,362
Total						7,362

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>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Joint ventures				
Increase capital in ZeaQuest Co., Ltd.	-	2,542	-	84,953
Increase capital in KK Venture Co., Ltd.	15	16	518	535
Increase capital in Millennium 3 Ship Management and Operations DMCCO	-	136	-	4,545
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 ZeaQuest Co., Ltd., (“ZeaQuest”), held on 30 December 2020, the shareholders approved to increase the share capital of ZeaQuest by Baht 150.0 million through the issuance of 1,500,000 new ordinary shares with a par value of Baht 100 each which were registered on 11 January 2021 with Department of Business Development. The shares were 43.88% paid up by the existing shareholders in proportion to their shareholdings. Subsequently, on 25 February 2021, ZeaQuest additionally called for the remaining share subscriptions at Baht 56.12 per share, totalling Baht 43.5 million.

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.

New joint ventures

On 2 July 2021, Mermaid-MOE JV Co., Ltd., an indirect subsidiary, has entered into shares sale and purchase agreement with Fico Corporation Company Limited in order to the purchase of 50% of the total issued shares in KK Venture Co., Ltd. (“KKV”), which incorporated in Thailand. As a result, KKV became an indirect joint venture of the Company. The main business of KKV is to own and operate technology-based businesses.

On 8 July 2021, Mermaid Subsea Oil and Gas Services DMCEST (“MSOGS”), an indirect subsidiary, has invested into 50% of the total issued shares in Millennium 3 Ship Management and Operations DMCCO (“M3JV”), which incorporated in Dubai, United Arab Emirates. As a result, M3JV became an indirect joint venture of the Company. The main business of M3JV is to manage and operate vessels.

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.

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.

	Millennium 3 Ship Management and Operations DMCCO			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Revenue	13,243	5,614	464,466	204,242
Profit from continuing operations	7,670	2,482	266,379	90,297
Total comprehensive income (100%)	7,670	2,482	266,379	90,297
Group's share of total comprehensive income	3,835	1,241	133,190	45,149
Dividend income from joint ventures for the year	1,330	-	48,486	-
Current assets	16,531	5,707	571,351	190,727
Non-current assets	30,020	31,600	1,037,563	1,056,069
Current liabilities	(38,787)	(34,554)	(1,340,572)	(1,154,791)
Non-current liabilities	-	-	-	-
Net assets (100%)	7,764	2,753	268,342	92,005
Group's share of net assets (% hold)	3,882	1,377	134,171	46,019
Carrying amount of investment in joint venture	3,882	1,377	134,171	46,019

	Zeaquest Co., Ltd.			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Revenue	20,388	2,264	716,224	75,448
Loss from continuing operations	(1,920)	(1,523)	(67,800)	(48,538)
Total comprehensive expense (100%)	(1,920)	(1,523)	(648,424)	(48,538)
Group's share of total comprehensive expense	(960)	(762)	(648,424)	(24,269)
Current assets	8,419	3,644	290,981	121,782
Non-current assets	2,259	2,211	78,076	73,891
Current liabilities	(9,057)	(2,315)	(313,032)	(77,367)
Non-current liabilities	-	-	-	-
Net assets (100%)	1,621	3,540	56,025	118,306
Group's share of net assets (% hold)	811	1,770	28,030	59,153
Elimination of unrealised profit on sale equipment	(247)	(265)	(8,537)	(8,856)
Carrying amount of investment in joint venture	564	1,505	19,493	50,297

	PTGC Co., Ltd.			
	2022 (in thousand US Dollar)	2021	2022 (in thousand Baht)	2021
Loss from continuing operations	(29)	(20)	(661)	(663)
Total comprehensive expense (100%)	(29)	(20)	(661)	(663)
Group's share of total comprehensive expense	(14)	(10)	(324)	(325)
Current assets	8	5	276	167
Non-current assets	19,360	19,360	669,128	647,009
Current liabilities	-	(65)	-	(2,172)
Non-current liabilities	(101)	-	(3,491)	-
Net assets (100%)	19,267	19,300	665,913	645,004
Group's share of net assets (% hold)	9,442	9,458	326,338	316,086
Goodwill	12,939	12,939	447,203	432,420
Carrying amount of investment in associate	22,381	22,397	773,541	748,506

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>									
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	100.00	100.00	THB 2,130 million	THB 2,130 million	153,485	153,485	(98,123)	(98,123)	55,362	55,362
Mermaid Drilling Ltd.	95.00	95.00	THB 410 million	THB 410 million	14,074	14,074	(14,074)	(14,074)	-	-
Mermaid Maritime Mauritius Ltd.	100.00	100.00	USD 1	USD 1	-	-	-	-	-	-
Mermaid Ventures Co., Ltd. (formerly Mermaid-MOE JV Co., Ltd.)	100.00	100.00	THB 250 thousand	THB 250 thousand	8	8	-	-	8	8
Total					167,567	167,567	(112,197)	(112,197)	55,370	55,370
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	100.00	100.00	SGD 100	SGD 100	14,268	14,268	(14,268)	(14,268)	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd. ⁽¹⁾	45.00	45.00	MYR 550 thousand	MYR 550 thousand	139	139	-	-	139	139
Mermaid Subsea Services (UK) Ltd.	100.00	100.00	GBP 100 thousand	GBP 100 thousand	130	130	-	-	130	130
Mermaid Subsea Oil and Gas Services DMCEST	100.00	100.00	AED 1 million	AED 1 million	274	274	-	-	274	274
Mermaid Decom Co., Ltd.	100.00	-	THB 250 thousand	THB 250 thousand	8	-	-	-	8	-
Mermaid Offshore Services Pte. Ltd.	100.00	100.00	USD 20,400 thousand	USD 20,400 thousand	20,400	20,400	(20,400)	(20,400)	-	-
MTR - 2 Ltd.	-	95.00	-	THB 268 million	-	5,661	-	(5,661)	-	-
Mermaid International Ventures	100.00	100.00	USD 100	USD 100	-	-	-	-	-	-
Mermaid Subsea Services (International) Ltd.	100.00	100.00	USD 1	USD 1	7,586	7,586	-	-	7,586	7,586
Mermaid Subsea Services Saudi Arabia Co., Ltd.	95.00	95.00	SAR 500 thousand	SAR 500 thousand	386	386	-	-	386	386
Mermaid Subsea Services LLC ⁽¹⁾	49.00	49.00	QAR 200 thousand	QAR 200 thousand	55	55	-	-	55	55
Total					43,246	48,899	(34,668)	(40,329)	8,578	8,570

Name of subsidiary	Separate financial statements					At cost - net 2022	2021			
	Ownership interest 2022	Ownership interest 2021	Paid - up capital 2022	Paid - up capital 2021	Cost 2022			Cost 2021		
								Impairment 2022	Impairment 2021	
								(in thousand Baht)		
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	100.00	100.00	THB 2,130 million	THB 2,130 million	5,304,810	5,129,454	(3,391,366)	1,913,444	(3,279,261)	1,850,193
Mermaid Drilling Ltd.	95.00	95.00	THB 410 million	THB 410 million	486,431	470,352	(486,431)	-	(470,352)	-
Mermaid Maritime Mauritius Ltd.	100.00	100.00	USD 1	USD 1	-	-	-	-	-	-
Mermaid Ventures Co., Ltd. (formerly Mermaid-MOE JV Co., Ltd.)	100.00	100.00	THB 250 thousand	THB 250 thousand	276	267	-	276	-	267
Total					5,791,517	5,600,073	(3,877,797)	1,913,720	(3,749,613)	1,850,460
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	100.00	100.00	SGD 100	SGD 100	493,136	476,835	(493,136)	-	(476,835)	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd. ⁽¹⁾	45.00	45.00	MYR 550 thousand	MYR 550 thousand	4,804	4,645	-	4,804	-	4,645
Mermaid Subsea Services (UK) Ltd.	100.00	100.00	GBP 100 thousand	GBP 100 thousand	4,493	4,345	-	4,493	-	4,345
Mermaid Subsea Oil and Gas Services DMCEST	100.00	100.00	AED 1 million	AED 1 million	9,470	9,157	-	9,470	-	9,157
Mermaid Decom Co., Ltd.	100.00	-	THB 250 thousand	-	276	-	-	276	-	-
Mermaid Offshore Services Pte. Ltd.	100.00	100.00	USD 20,400 thousand	USD 20,400 thousand	705,073	681,766	(705,073)	-	(681,766)	-
MTR - 2 Ltd.	-	95.00	-	THB 268 million	-	189,190	-	-	(189,910)	-
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	262,190	253,523	-	262,190	-	253,523
Mermaid Subsea Services Saudi Arabia Co., Ltd.	95.00	95.00	SAR 500 thousand	SAR 500 thousand	13,341	12,900	-	13,341	-	12,900
Mermaid Subsea Services LLC ⁽¹⁾	49.00	49.00	QAR 200 thousand	QAR 200 thousand	1,901	1,838	-	1,901	-	1,838
Total					1,494,687	1,634,202	(1,198,209)	296,478	(1,347,791)	286,411

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

<i>Material movement</i> <i>Year ended 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Increase capital in Mermaid Decom Co., Ltd.	8	-	276	-
Increase capital in Mermaid Venture Co., Ltd.	-	8	-	267

Share transferred under common control transaction

On 15 July 2021, Mermaid Subsea Services (Thailand) Limited (“MSST”), a direct subsidiary agreed to transfer the investment in subsidiary, Mermaid-MOE JV Co., Ltd. (“MOE”), to the Company, at cost of Baht 0.3 million for consideration received of Baht 0.3 million. As a result, MOE became a direct subsidiary of the Company.

Change the name of a subsidiary

On 10 August 2021, Mermaid-MOE JV Co., Ltd., a direct subsidiary, registered with the Ministry of Commerce to change the subsidiary's name from "Mermaid-MOE JV Co., Ltd." to "Mermaid Ventures Co., Ltd."

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.

Liquidation of subsidiary

On 16 December 2022, MTR-2 Ltd., an indirect subsidiary, was liquidated.

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.

	Consolidated financial statements		
	Land	Buildings	Total
	<i>(in thousand US Dollar)</i>		
Cost			
At 1 January 2021	248	1,271	1,519
At 31 December 2021 and at 1 January 2022	248	1,271	1,519
At 31 December 2022	248	1,271	1,519
Depreciation			
At 1 January 2021	-	1,027	1,027
Depreciation charge for the year	-	43	43
At 31 December 2021 and at 1 January 2022	-	1,070	1,070
Depreciation charge for the year	-	43	43
At 31 December 2022	-	1,113	1,113

	Consolidated financial statements		
	Land	Buildings	Total
	<i>(in thousand US Dollar)</i>		
Net book value			
At 31 December 2021	<u>248</u>	<u>201</u>	<u>449</u>
At 31 December 2022	<u>248</u>	<u>158</u>	<u>406</u>

	Consolidated financial statements		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2021	7,449	38,177	45,626
Translation adjustments	839	4,300	5,139
At 31 December 2021 and at 1 January 2022	<u>8,288</u>	<u>42,477</u>	<u>50,765</u>
Translation adjustments	283	1,452	1,735
At 31 December 2022	<u>8,571</u>	<u>43,929</u>	<u>52,500</u>
Depreciation			
At 1 January 2021	-	30,848	30,848
Depreciation charge for the year	-	1,375	1,375
Translation adjustments	-	3,536	3,536
At 31 December 2021 and at 1 January 2022	<u>-</u>	<u>35,759</u>	<u>35,759</u>
Depreciation charge for the year	-	1,506	1,506
Translation adjustments	-	1,203	1,203
At 31 December 2022	<u>-</u>	<u>38,468</u>	<u>38,468</u>
Net book value			
At 31 December 2021	<u>8,288</u>	<u>6,718</u>	<u>15,006</u>
At 31 December 2022	<u>8,571</u>	<u>5,461</u>	<u>14,032</u>

<i>Year ended 31 December</i>	Consolidated financial statements			
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss				
Office service fee	150	138	5,259	4,463

	Separate financial statements			
	Land	Buildings	Buildings improvement	Total
	<i>(in thousand US Dollar)</i>			
Cost				
At 1 January 2021	838	4,390	160	5,388
At 31 December 2021 and at 1 January 2022	<u>838</u>	<u>4,390</u>	<u>160</u>	<u>5,388</u>
At 31 December 2022	<u>838</u>	<u>4,390</u>	<u>160</u>	<u>5,388</u>
Depreciation				
At 1 January 2021	-	3,576	158	3,734
Depreciation charge for the year	-	159	-	159
At 31 December 2021 and at 1 January 2022	<u>-</u>	<u>3,735</u>	<u>158</u>	<u>3,893</u>
Depreciation charge for the year	-	159	-	159
At 31 December 2022	<u>-</u>	<u>3,894</u>	<u>158</u>	<u>4,052</u>
Net book value				
At 31 December 2021	<u>838</u>	<u>655</u>	<u>2</u>	<u>1,495</u>
At 31 December 2022	<u>838</u>	<u>496</u>	<u>2</u>	<u>1,336</u>

	Separate financial statements			Total
	Land	Buildings	Buildings improvement	
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2021	25,171	131,863	4,806	161,840
Translation adjustments	2,835	14,850	541	18,226
At 31 December 2021 and at 1 January 2022	28,006	146,713	5,347	180,066
Translation adjustments	957	5,016	183	6,156
At 31 December 2022	28,963	151,729	5,530	186,222
Depreciation				
At 1 January 2021	-	107,413	4,746	112,159
Depreciation charge for the year	-	5,087	-	5,087
Translation adjustments	-	12,323	534	12,857
At 31 December 2021 and 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
At 31 December 2022	-	134,586	5,461	140,047
Net book value				
At 31 December 2021	28,006	21,890	67	49,963
At 31 December 2022	28,963	17,143	69	46,175

<i>Year ended 31 December</i>	Separate financial statements			
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss				
Office service fee	275	275	9,636	8,835

The fair value of investment properties as at 31 December 2022 of US Dollar 2.0 million or equivalent to Baht 68.0 million (2021: US Dollar 2.1 million or equivalent to Baht 68.8 million) and US Dollar 5.3 million or equivalent to Baht 183.0 million (2021: US Dollar 5.6 million or equivalent to Baht 186.3 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>										
Cost											
At 1 January 2021	590	3,240	1,588	79,812	2,729	1,258	295,868	29,164	3,172	1,310	418,731
Additions	-	-	1	4,095	217	45	-	221	-	700	5,279
Disposals	-	-	-	(3,760)	(17)	(16)	(29,500)	(1,841)	-	(1,310)	(36,444)
At 31 December 2021	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)
At 31 December 2022	590	3,240	2,372	83,848	3,082	1,193	271,107	27,544	3,181	1,136	397,293
Depreciation											
At 1 January 2021	-	(2,643)	(1,529)	(63,078)	(2,571)	(1,156)	(134,331)	(15,824)	(1,660)	-	(222,792)
Depreciation charge for the year	-	(122)	(20)	(2,804)	(131)	(87)	(6,702)	(4,564)	(112)	-	(14,542)
Disposals	-	-	-	2,276	16	16	8,996	1,372	-	-	12,676
At 31 December 2021	-	(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
At 31 December 2022	-	(2,887)	(1,659)	(63,843)	(2,812)	(1,129)	(138,944)	(21,611)	(1,871)	-	(234,756)

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>										
Impairment losses											
At 1 January 2021	-	-	-	(5,417)	-	-	(44,236)	(1,785)	-	(1,310)	(52,748)
Disposals	-	-	-	745	-	-	20,073	469	-	1,310	22,597
At 31 December 2021											
and 1 January 2022	-	-	-	(4,672)	-	-	(24,163)	(1,316)	-	-	(30,151)
Disposals	-	-	-	1,809	-	-	-	-	-	-	1,809
At 31 December 2022											
	-	-	-	(2,863)	-	-	(24,163)	(1,316)	-	-	(28,342)
Net book value											
At 31 December 2021	590	475	40	11,869	243	60	110,168	7,212	1,400	700	132,757
At 31 December 2022	590	353	713	17,142	270	64	108,000	4,617	1,310	1,136	134,195

Consolidated financial statements

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
Cost											
At 1 January 2021	17,722	97,320	47,699	2,397,321	81,971	37,787	8,887,017	876,002	95,278	39,349	12,577,466
Additions	-	-	33	136,854	7,252	1,504	-	7,386	-	23,394	176,423
Disposals	-	-	-	(125,659)	(568)	(535)	(985,887)	(61,526)	-	(43,780)	(1,217,955)
Translation adjustment	1,996	10,960	5,372	269,990	9,232	4,255	1,000,862	98,656	10,730	4,431	1,416,484
At 31 December 2021	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
At 31 December 2022	20,392	111,982	81,982	2,897,988	106,521	41,233	9,370,108	951,987	109,943	39,263	13,731,399
Depreciation											
At 1 January 2021	-	(79,388)	(45,927)	(1,894,680)	(77,225)	(34,723)	(4,034,914)	(475,307)	(49,862)	-	(6,692,026)
Depreciation charge for the year	-	(3,904)	(632)	(89,416)	(4,200)	(2,765)	(214,378)	(145,939)	(3,567)	-	(464,801)
Disposals	-	-	-	76,064	535	535	300,645	45,852	-	-	423,631
Translation adjustment	-	(9,114)	(5,208)	(217,675)	(8,876)	(4,053)	(464,016)	(60,119)	(5,791)	-	(774,852)
At 31 December 2021	-	(92,406)	(51,767)	(2,125,707)	(89,766)	(41,006)	(4,412,663)	(635,513)	(59,220)	-	(7,508,048)
Depreciation charge for the year	-	(4,281)	(3,996)	(132,925)	(4,734)	(807)	(242,236)	(90,703)	(3,472)	-	(483,154)
Disposals	-	-	-	121,867	311	4,182	-	-	-	-	126,360
Translation adjustment	-	(3,095)	(1,576)	(69,803)	(3,000)	(1,390)	(147,339)	(20,712)	(1,974)	-	(248,889)
At 31 December 2022	-	(99,782)	(57,339)	(2,206,568)	(97,189)	(39,021)	(4,802,238)	(746,928)	(64,666)	-	(8,113,731)

Cost

Depreciation

Consolidated financial statements											
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels	Dry-docking	Motor launches	Construction in progress	Total
Impairment losses											
At 1 January 2021	-	-	-	(162,711)	-	-	(1,328,721)	(53,616)	-	(39,349)	(1,584,397)
Disposals	-	-	-	22,541	-	-	607,349	14,191	-	39,637	683,718
Translation adjustments	-	-	-	(15,967)	-	-	(86,153)	(4,556)	-	(288)	(106,964)
At 31 December 2021	-	-	-	-	-	-	-	-	-	-	-
and 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)
At 31 December 2022	-	-	-	(98,953)	-	-	(835,131)	(45,484)	-	-	(979,568)
Net book value											
At 31 December 2021	19,718	15,874	1,337	396,662	8,121	2,005	3,681,804	241,024	46,788	23,394	4,436,727
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
Security											

As at 31 December 2022, the Group's property, plant and equipment with a net book value of US Dollar 93.5 million (2021: US Dollar 102.7 million) were registered to secure long-term facilities with financial institution.

Separate financial statements						
	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Total
	<i>(in thousand US Dollar)</i>					
Cost						
At 1 January 2021	120	488	77	1,407	29	2,121
Additions	-	-	1	10	-	11
Disposals	-	-	-	(15)	-	(15)
At 31 December 2021 and 1 January 2022	120	488	78	1,402	29	2,117
Additions	-	-	-	36	-	36
Disposals	-	-	-	(8)	-	(8)
At 31 December 2022	120	488	78	1,430	29	2,145
Depreciation						
At 1 January 2021	(93)	(444)	(77)	(1,385)	(14)	(2,013)
Depreciation charge for the year	(6)	(5)	-	(13)	(4)	(28)
Disposals	-	-	-	14	-	14
At 31 December 2021 and 1 January 2022	(99)	(449)	(77)	(1,384)	(18)	(2,027)
Depreciation charge for the year	(6)	(5)	-	(11)	(4)	(26)
Disposals	-	-	-	8	-	8
At 31 December 2022	(105)	(454)	(77)	(1,387)	(22)	(2,045)
Net book value						
At 31 December 2021	21	39	1	18	11	90
At 31 December 2022	15	34	1	43	7	100

Separate financial statements						
	Buildings	Building improvement	Tools and equipment <i>(in thousand Baht)</i>	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2021	3,604	14,658	2,313	42,262	871	63,708
Additions	-	-	33	334	-	367
Disposals	-	-	-	(501)	-	(501)
Translation adjustments	406	1,651	261	4,761	98	7,177
At 31 December 2021 and 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
At 31 December 2022	4,147	16,866	2,696	49,424	1,002	74,135
Depreciation						
At 1 January 2021	(2,793)	(13,336)	(2,312)	(41,601)	(421)	(60,463)
Depreciation charge for the year	(193)	(160)	-	(414)	(127)	(894)
Disposals	-	-	-	448	-	448
Translation adjustments	(323)	(1,509)	(261)	(4,686)	(54)	(6,833)
At 31 December 2021 and 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)
At 31 December 2022	(3,629)	(15,691)	(2,661)	(47,938)	(760)	(70,679)
Net book value						
At 31 December 2021	701	1,304	34	603	367	3,009
At 31 December 2022	518	1,175	35	1,486	242	3,456

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>	Consolidated financial statements			
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Land	5,741	-	198,423	-
Buildings	264	203	9,124	6,784
Support vessel	23,350	-	807,032	-
Total	29,355	203	1,014,579	6,784

<i>Right-of-use assets</i> <i>At 31 December</i>	Separate financial statements			
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Buildings	264	202	9,124	6,751
Total	264	202	9,124	6,751

In 2022, additions to the right-of-use assets of the Group and the Company were US Dollar 34.1 million and US Dollar 0.2 million, respectively (2021: nil).

During 2022, the Group leased a vessel, vacant land and office space for 2-5 years with extension 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>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Amounts recognised in profit or loss				
Sub-lease income	712	-	24,964	-
Depreciation of right-of-use assets:				
- Land	886	-	31,803	-
- Buildings	148	191	5,174	6,108
- Support vessel	3,895	-	141,764	-
Interest on lease liabilities	1,040	15	37,715	483
Expenses relating to short-term leases	259	343	9,057	10,916
Expenses relating to leases of low-value assets	16	10	566	320

<i>Year-ended 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Buildings	148	189	5,174	6,044
Interest on lease liabilities	15	15	523	483
Expenses relating to leases of low-value assets	7	6	246	192

In 2022, total cash outflow for leases of the Group and the Company were US Dollar 5.8 million and US Dollar 0.2 million, respectively (*2021: US Dollar 0.9 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.

	<i>Note</i>	Consolidated financial statements			
		2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Short-term borrowing from parent company - unsecured	3	4,000	-	138,250	-
Long-term borrowings from financial institution - secured		32,484	46,694	1,122,725	1,560,508
Long-term borrowings from parent company- unsecured	3	5,000	5,000	172,812	167,100
Lease liabilities		29,812	201	1,030,374	6,718
Total interest-bearing liabilities		71,296	51,895	2,464,161	1,734,326

	Note	Separate financial statements			
		2022 (in thousand US Dollar)	2021	2022 (in thousand Baht)	2021
Short-term borrowing from parent company - unsecured	3	4,000	-	138,250	-
Long-term borrowings from parent company- unsecured	3	5,000	5,000	172,812	167,100
Lease liabilities		245	200	8,468	6,684
Total interest-bearing liabilities		9,245	5,200	319,530	173,784

The Group's long-term borrowings from financial institution bear effective interest rates of 7.38%, 7.48% and 8.15% per annum (2021: 2.87%, 2.97% and 3.34% 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 2022, the Group and the Company had no unutilised credit facilities (2021: Nil).

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

	Consolidated financial statements			
	2022 (in thousand US Dollar)	2021	2022 (in thousand Baht)	2021
At 1 January	46,694	57,413	1,560,508	1,724,520
Addition	-	2,992	-	99,992
Repayments during year	(14,272)	(13,768)	(493,275)	(460,125)
Amortisation to profit and loss (front end fee)	62	57	2,174	1,825
Translation adjustments	-	-	53,318	194,296
At 31 December	32,484	46,694	1,122,725	1,560,508

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

	Consolidated financial statements			
	2022 (in thousand US Dollar)	2021	2022 (in thousand Baht)	2021
Currency				
US Dollar	32,484	46,694	1,122,725	1,560,508
Total	32,484	46,694	1,122,725	1,560,508

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 32.5 million as at 31 December 2022 (2021: US Dollar 46.7 million) with repayment terms until 2025. These borrowings bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 10 and are guaranteed by the Company and the Parent.

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>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Post-employment benefits	2,774	2,371	95,876	79,239
Other long-term employee benefits	46	66	1,590	2,205
Total	2,820	2,437	97,466	81,444

<i>At 31 December</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Post-employment benefits	337	295	11,648	9,859
Other long-term employee benefits	21	22	725	735
Total	358	317	12,373	10,594

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.

Present value of the defined benefit obligations	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
At 1 January	2,437	2,411	81,444	72,419
Recognised in profit or loss:				
Current service cost	514	442	17,865	14,116
Interest on obligation	3	23	98	735
Past service cost	-	(24)	-	(802)
Curtailement gain	-	(32)	-	(1,049)
Actuarial gains	-	(12)	-	(400)
Recognised in other comprehensive income:				
Actuarial (gain) loss				
- Demographic assumption	(4)	113	(146)	3,772
- Financial assumption	-	(18)	-	(601)
- Experience adjustment	23	(393)	838	(13,112)
Benefits paid	(153)	(73)	(5,325)	(2,372)
Translation adjustment	-	-	2,692	8,738
At 31 December	2,820	2,437	97,466	81,444

Present value of the defined benefit obligations	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
At 1 January	317	274	10,594	8,230
Recognised in profit or loss:				
Current service cost	43	28	1,508	898
Interest on obligation	2	7	66	223
Past service cost	-	(9)	-	(301)
Actuarial loss	-	15	-	501
Recognised in other comprehensive income:				
Actuarial (gain) loss				
- Demographic assumption	-	65	-	2,170
- Financial assumption	-	(10)	-	(334)
- Experience adjustment	-	(47)	-	(1,569)
Benefits paid	(4)	(6)	(146)	(200)
Translation adjustment	-	-	351	976
At 31 December	358	317	12,373	10,594

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.92 - 3.20	1.92 - 3.20	1.92 - 2.48	1.92 - 2.48
Future salary growth	3.00 - 6.00	2.50 - 4.00	4.00	4.00
Employee turnover	3.58 - 28.65	3.58 - 28.65	3.58 - 28.65	3.58 - 28.65

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 15 years (2021: 15 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation At 31 December	Consolidated financial statements			
	Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>			
Post-employment benefits				
Discount rate (1%)	(145)	(133)	175	155
Future salary growth (1%)	179	153	(148)	(134)
Employee turnover (20%)	(60)	(52)	70	60
Future mortality (20%)	(9)	(7)	9	8
Other long-term employee benefits				
Discount rate (1%)	(3)	(3)	3	3
Employee turnover (20%)	(4)	(3)	4	4

Effect to the defined benefit obligation At 31 December	Consolidated financial statements			
	Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Discount rate (1%)	(5,012)	(4,445)	6,048	5,180
Future salary growth (1%)	6,187	5,113	(5,115)	(4,478)
Employee turnover (20%)	(2,074)	(1,738)	2,419	2,005
Future mortality (20%)	(311)	(234)	311	267
Other long-term employee benefits				
Discount rate (1%)	(104)	(100)	104	100
Employee turnover (20%)	(138)	(100)	138	134

Effect to the defined benefit obligation At 31 December	Separate financial statements			
	Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>			
Post-employment benefits				
Discount rate (1%)	(35)	(33)	41	38
Future salary growth (1%)	43	37	(37)	(32)
Employee turnover (20%)	(35)	(30)	40	35
Future mortality (20%)	(5)	(4)	5	4
Other long-term employee benefits				
Discount rate (1%)	(2)	(2)	2	2
Employee turnover (20%)	(2)	(2)	2	2

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Discount rate (1%)	(1,210)	(1,103)	1,417	1,270
Future salary growth (1%)	1,486	1,237	(1,279)	(1,069)
Employee turnover (20%)	(1,210)	(1,003)	1,382	1,170
Future mortality (20%)	(173)	(134)	173	134
Other long-term employee benefits				
Discount rate (1%)	(69)	(67)	69	67
Employee turnover (20%)	(69)	(67)	69	67

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 2022				
Subsea group	Holding	Total	Elimination	Group
<i>(in thousand US Dollar)</i>				
Disaggregation of revenue				
Primary geographical markets				
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
Total revenue	-	223,935	-	223,935
Major products/service lines				
Providing services	-	223,935	-	223,935
Total revenue	-	223,935	-	223,935
Timing of revenue recognition				
Over time	-	223,935	-	223,935
Total revenue	-	223,935	-	223,935
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
Other material non-cash items: Reversal of impairment loss determine in accordance with TFRS9	-	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

Consolidated financial statements For the year ended 31 December 2021					
Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group	
Disaggregation of revenue					
Primary geographical markets					
Saudi Arabia	-	93,732	-	93,732	
Thailand	-	11,944	-	11,944	
United Arab Emirates	-	2,886	-	2,886	
Qatar	-	1,550	-	1,550	
Myanmar	-	1,480	-	1,480	
Total revenue	-	111,592	-	111,592	
Major products/service lines					
Providing services	-	111,592	-	111,592	
Total revenue	-	111,592	-	111,592	
Timing of revenue recognition					
Over time	-	111,592	-	111,592	
Total revenue	-	111,592	-	111,592	
Finance costs	24	1,721	(92)	1,629	
Depreciation and amortisation	380	14,789	-	14,789	
Share of profit of investments in associate and joint ventures	42	533	-	533	
Segment profit (loss) before income tax	(28,095)	(35,843)	21,922	(14,921)	
Other material non-cash items:					
Impairment loss determine in accordance with TFRS9	-	688	-	688	
Capital expenditures	2,011	7,279	-	7,279	
Segment assets	115,366	338,165	(79,533)	258,632	
Segment liabilities	6,652	220,875	(122,918)	97,957	

Consolidated financial statements For the year ended 31 December 2022					
Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group	
Disaggregation of revenue					
Primary geographical markets					
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	
Total revenue	-	7,905,754	-	7,905,754	
Major products/service lines					
Providing services	-	7,905,754	-	7,905,754	
Total revenue	-	7,905,754	-	7,905,754	
Timing of revenue recognition					
Over time	-	7,905,754	-	7,905,754	
Total revenue	-	7,905,754	-	7,905,754	
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 impairment loss determine in accordance with TFRS9	-	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	

Consolidated financial statements For the year ended 31 December 2021					
Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group	
Disaggregation of revenue					
Primary geographical markets					
Saudi Arabia	-	3,021,635	-	3,021,635	
Thailand	-	390,916	-	390,916	
United Arab Emirates	-	95,257	-	95,257	
Qatar	-	48,061	-	48,061	
Myanmar	-	49,400	-	49,400	
Total revenue	-	3,605,269	-	3,605,269	
Major products/service lines					
Providing services	-	3,605,269	-	3,605,269	
Total revenue	-	3,605,269	-	3,605,269	
Timing of revenue recognition					
Over time	-	3,605,269	-	3,605,269	
Total revenue	-	3,605,269	-	3,605,269	
Information about reportable segment					
Finance costs	776	54,941	(2,944)	51,997	
Depreciation and amortisation	12,141	472,676	-	472,676	
Share of profit of investments in associate and joint ventures	1,288	18,823	-	18,823	
Segment profit (loss) before income tax	(911,712)	(1,210,226)	731,720	(478,506)	
Other material non-cash items:					
Impairment loss determine in accordance with TFRS9					
Capital expenditures	67,207	243,263	-	243,263	
Segment assets	3,855,520	11,301,443	(2,657,985)	8,643,458	
Segment liabilities	222,309	7,381,619	(4,107,907)	3,273,712	

(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>	Assets			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Thailand	208,954	190,980	7,221,948	6,382,533
Saudi Arabia	66,564	54,276	2,300,612	1,813,898
United Arab Emirates	8,048	6,908	278,158	230,865
United Kingdom	6,662	158	230,255	5,283
Qatar	634	1,196	21,913	39,970
Malaysia	389	-	13,445	-
Singapore	231	231	7,984	7,720
Cayman	5	4,875	173	162,922
Mauritius	4	8	138	267
Total	291,491	258,632	10,074,626	8,643,458

(c) *Major customers*

Revenues from the major customers of the Group's segments Subsea represents approximately US Dollar 143.8 million (2021: US Dollar 73.0 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:

	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Expenses included in costs of rendering of services				
Crew, staff and subcontractor costs	75,046	46,139	2,638,619	1,485,359
Vessel expenses and repair and maintenance expenses	51,492	29,398	1,817,444	951,041
Charter hire and equipment rental	47,588	16,061	1,670,405	531,262
Depreciation	17,259	14,181	611,103	453,271
Mobilisation/demobilisation expense	9,906	6,394	350,599	206,107
Recharge expenses related to services provided	5,189	1,052	177,866	33,561
Total	206,480	113,225	7,266,036	3,660,601

	Consolidated financial statements			
	2022 (in thousand US Dollar)	2021 (in thousand US Dollar)	2022 (in thousand Baht)	2021 (in thousand Baht)
Expenses included in administrative expense				
Employee benefit expense	10,423	9,010	364,434	288,365
Professional fees	1,329	1,098	46,171	34,633
Depreciation and amortisation	1,467	608	52,745	19,405
Travelling expenses	618	417	21,687	13,436
(Reversal of) impairment loss determine in accordance with TFRS9	(505)	688	(18,381)	22,590
Withholding tax not recoverable	375	574	13,409	18,645
Office and office equipment rental	222	267	7,266	8,600
Bank charge	130	186	4,798	5,837
Others	1,393	1,547	48,829	49,577
Total	15,452	14,395	540,958	461,088
	Separate financial statements			
	2022 (in thousand US Dollar)	2021 (in thousand US Dollar)	2022 (in thousand Baht)	2021 (in thousand Baht)
Expenses included in administrative expense				
Employee benefit expense	2,168	1,985	75,818	63,163
Depreciation	333	376	11,659	12,016
Professional fees	192	557	6,365	17,406
Travelling expenses	61	21	2,180	675
Others	477	508	16,668	16,235
Total	3,231	3,447	112,690	109,495

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>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Current tax expense				
Current taxes	2,179	749	79,295	23,673
	2,179	749	79,295	23,673
Deferred tax expense (benefit)				
Movement in temporary differences	(594)	1	(21,610)	(149)
Total	1,585	750	57,685	23,524

	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Deferred tax expense (benefit)				
Movement in temporary differences	(2)	1	(73)	(149)
Total	(2)	1	(73)	(149)

<i>Income tax</i>	Consolidated financial statements					
	Before tax <i>(Note 13)</i>	2022 Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	2021 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains (losses)	(19)	(54)	(73)	298	4	302
Total	(19)	(54)	(73)	298	4	302

<i>Income tax</i>	Consolidated financial statements					
	Before tax <i>(Note 13)</i>	2022 Tax (expense) benefit	Net of tax	Before tax <i>(Note 13)</i>	2021 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains (losses)	(692)	(1,964)	(2,656)	9,941	133	10,074
Total	(692)	(1,964)	(2,656)	9,941	133	10,074

<i>Income tax</i>	Separate financial statements					
	Before tax (Note 13)	2022 Tax (expense) benefit	Net of tax	Before tax (Note 13)	2021 Tax (expense) benefit	Net of tax
<i>(in thousand US Dollar)</i>						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains (losses)	-	-	-	(8)	4	(4)
Total	-	-	-	(8)	4	(4)

<i>Income tax</i>	Separate financial statements					
	Before tax (Note 13)	2022 Tax (expense) benefit	Net of tax	Before tax (Note 13)	2021 Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains (losses)	-	-	-	(267)	133	(134)
Total	-	-	-	(267)	133	(134)

Reconciliation of effective tax rate	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Profit (loss) before income tax - accounting	1,923	(14,921)	91,841	(478,506)
Tax at the domestic rate of 20%	385	(2,984)	18,368	(95,701)
Effect of difference tax rate in foreign jurisdictions	1,361	(525)	47,718	(16,788)
Income not subject to tax and additional taxable expenses	(48)	(454)	(1,683)	(14,518)
Expenses not deductible for tax purposes	484	9,800	14,214	313,198
Recognition of previously unrecognised temporary differences	(414)	-	(14,515)	-
Utilisation of previously unrecognised tax losses	(517)	(4,708)	(18,127)	(150,548)
Tax losses and temporary differences for which no deferred income tax were recognised	611	251	21,422	8,026
Remeasurement of gain on exchange rate of US Dollar financial statement	(349)	(1,042)	(12,236)	(33,320)
Remeasurement of loss on exchange rate of Thai Baht financial statement	72	412	2,524	13,175
Total income tax expense	1,585	750	57,685	23,524
The average effective tax rate	82%	5%	63%	5%

Reconciliation of effective tax rate	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021 <i>(in thousand US Dollar)</i>	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>
Loss before income tax - accounting	(4,072)	(27,936)	(139,112)	(908,477)
Tax at the domestic rate of 20%	(815)	(5,587)	(27,822)	(181,695)
Expenses not deductible for tax purposes	4	4,364	(615)	142,406
Utilisation of previously unrecognised tax losses	-	(55)	-	(1,759)
Tax losses for which no deferred income tax assets were recognised	314	-	11,009	-
Remeasurement of loss on exchange rate of US Dollar financial statement	423	867	14,831	27,724
Remeasurement of loss on exchange rate of Thai Baht financial statement	72	412	2,524	13,175
Total income tax expense (benefit)	(2)	1	(73)	(149)
The average effective tax rate	0%	0%	0%	0%

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

Deferred tax As at 31 December	Consolidated financial statements			
	2022	2021	2022	2021
	Assets		Liabilities	
	<i>(in thousand US Dollar)</i>			
Total	616	57	(19)	-
Net deferred tax assets (liabilities)	616	57	(19)	-

Deferred tax As at 31 December	Consolidated financial statements			
	2022	2021	2022	2021
	Assets		Liabilities	
	<i>(in thousand Baht)</i>			
Total	21,290	1,905	(657)	-
Net deferred tax assets (liabilities)	21,290	1,905	(657)	-

Deferred tax As at 31 December	Separate financial statements			
	2022	2021	2022	2021
	Assets		Liabilities	
	<i>(in thousand US Dollar)</i>			
Total	63	57	-	-
Set off of tax	(4)	-	-	-
Net deferred tax assets	59	57	-	-

<i>Deferred tax As at 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Total	2,177	1,905	-	-
Set off of tax	(138)	-	-	-
Net deferred tax assets	2,039	1,905	-	-

<i>Deferred tax</i>	Consolidated financial statements			
	(Charged) / Credited to			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
	<i>(in thousand US Dollar)</i>			
2022				
<i>Deferred tax assets</i>				
Lease	-	95	-	95
Provisions	-	188	-	188
Retirement benefits obligation	57	330	(54)	333
Total	57	613	(54)	616
<i>Deferred tax liabilities</i>				
Lease	-	(4)	-	(4)
Property, plant and equipment	-	(15)	-	(15)
Total	-	(19)	-	(19)
2021				
<i>Deferred tax assets</i>				
Retirement benefits obligation	54	(1)	4	57
Total	54	(1)	4	57

<i>Deferred tax</i>	Consolidated financial statements				
	(Charged) / Credited to				
	At 1 January	Profit or loss	Other comprehensive income	Translation adjustments	At 31 December
	<i>(in thousand Baht)</i>				
2022					
<i>Deferred tax assets</i>					
Lease	-	3,456	-	(173)	3,283
Provisions	-	6,840	-	(342)	6,498
Retirement benefits obligation	1,905	12,006	(1,964)	(438)	11,509
Total	1,905	22,302	(1,964)	(953)	21,290
<i>Deferred tax liabilities</i>					
Lease	-	(146)	-	8	(138)
Property, plant and equipment	-	(546)	-	27	(519)
Total	-	(692)	-	35	(657)
2021					
<i>Deferred tax assets</i>					
Retirement benefits obligation	1,622	149	133	1	1,905
Total	1,622	149	133	1	1,905

<i>Deferred tax</i>	Separate financial statements (Charged) / Credited to			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
2022				
<i>Deferred tax assets</i>				
Retirement benefits obligation	57	6	-	63
Total	57	6	-	63
<i>Deferred tax liabilities</i>				
Lease	-	(4)	-	(4)
Total	-	(4)	-	(4)
Net	57	2	-	59
2021				
<i>Deferred tax assets</i>				
Retirement benefits obligation	54	(1)	4	57
Total	54	(1)	4	57

<i>Deferred tax</i>	Separate financial statements (Charged) / Credited to				At 31 December
	At 1 January	Profit or loss	Other comprehensive income	Translation adjustments	
2022					
<i>Deferred tax assets</i>					
Retirement benefits obligation	1,905	218	-	54	2,177
Total	1,905	218	-	54	2,177
<i>Deferred tax liabilities</i>					
Lease	-	(145)	-	7	(138)
Total	-	(145)	-	7	(138)
Net	1,905	73	-	61	2,039
2021					
<i>Deferred tax assets</i>					
Retirement benefits obligation	1,622	149	133	1	1,905
Total	1,622	149	133	1	1,905

<i>Unrecognised deferred tax assets</i>	Consolidated financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Tax losses	14,974	15,113	525,008	483,270
Impairment losses on property, plant and equipment and related supplies and spare parts	4,602	4,645	161,352	148,534
Allowance for expected credit loss	4,568	6,351	160,160	203,087
Impairment losses on goodwill	2,027	2,027	71,069	64,818
Retirement benefits obligation	56	316	1,963	10,105
Total	26,227	28,452	919,552	909,814

<i>Unrecognised deferred tax assets</i>	Separate financial statements			
	2022 <i>(in thousand US Dollar)</i>	2021	2022 <i>(in thousand Baht)</i>	2021
Impairment losses on investments in subsidiaries	22,439	22,439	786,741	717,534
Allowance for expected credit loss	11,485	11,809	402,679	377,618
Tax losses	1,930	2,662	67,668	85,123
Total	35,854	36,910	1,257,088	1,180,275

The tax losses will expire from 2023-2027. 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.

	Consolidated financial statements			
	2022 <i>(in thousand US Dollar/ thousand shares)</i>	2021	2022 <i>(in thousand Baht/ thousand shares)</i>	2021
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(195)	(15,724)	14,761	(503,533)
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329	1,413,329	1,413,329
Earnings (losses) per share (basic)	<i>(in US dollar)</i> (0.0001)	(0.0111)	<i>(in Baht)</i> 0.0104	(0.3563)

	Separate financial statements			
	2022 (in thousand US Dollar/ thousand shares)	2021 (in thousand US Dollar/ thousand shares)	2022 (in thousand Baht/ thousand shares)	2021 (in thousand Baht/ thousand shares)
Loss attributable to ordinary shareholders of the Company (basic)	<u>(4,070)</u>	<u>(27,937)</u>	<u>(139,039)</u>	<u>(908,328)</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
Losses per share (basic)	<u>(0.0029)</u>	<u>(0.0198)</u>	<u>(0.0984)</u>	<u>(0.6427)</u>

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					Total
	Carrying amount	Fair value			Total	
At 31 December	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Level 1	Level 2	Level 3	(in thousand US Dollar)
2022						
Financial liabilities						
Long-term borrowings	-	32,484	-	-	33,868	33,868
Total other financial liabilities	-	32,484			33,868	33,868
2021						
Financial assets						
Equity securities held for trading	3	-	-	3	-	3
Investment in mutual fund	2,871	-	-	2,871	-	2,871
Total other financial assets	2,874	-		2,874		2,874
Financial liabilities						
Long-term borrowings	-	46,694	-	-	45,897	45,897
Total other financial liabilities	-	46,694			45,897	45,897

At 31 December	Consolidated financial statements					Total	
	Carrying amount	Fair value					
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	(in thousand Baht)				
			Total	Level 1	Level 2	Level 3	Total
2022							
Financial liabilities							
Long-term borrowings	-	1,122,725	1,122,725	-	-	1,170,599	1,170,599
Total other financial liabilities	-	1,122,725	1,122,725	-	-	1,170,599	1,170,599
2021							
Financial assets							
Equity securities held for trading	100	-	100	-	100	-	100
Investment in mutual fund	95,949	-	95,949	-	95,949	-	95,949
Total other financial assets	96,049	-	96,049	-	95,949	-	95,949
Financial liabilities							
Long-term borrowings	-	1,560,508	1,560,508	-	-	1,533,873	1,533,873
Total other financial liabilities	-	1,560,508	1,560,508	-	-	1,533,873	1,533,873

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

Type	Valuation technique
Equity securities held for trading	The total net asset value as of the Company's portfolio, which is in the monthly report from financial institution.
Investments in mutual fund	The total net asset value as of the Company's portfolio, which is in the monthly report from asset management company.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other financial liabilities	Discounted cash flows	Discount rate: (2022: 3.4%-3.9% ;2021: 4.0%-4.7%).	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.

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

	Consolidated financial statements			Total
	12-months ECL	Lifetime ECL- not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	
At 31 December 2021				
Amount due from related parties	-	65	7,542	7,607
Short-term loans	-	-	18,350	18,350
Long-term loans	1,082	-	498	1,580
	1,082	65	26,390	27,537
Less allowance for expected credit loss	-	-	(26,390)	(26,390)
Net	1,082	65	-	1,147

	Consolidated financial statements			Total
	12-months ECL	Lifetime ECL- not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit- impaired	
At 31 December 2022				
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
	43,203	3,560	912,102	958,865
Less allowance for expected credit loss	-	-	(912,102)	(912,102)
Net	43,203	3,560	-	46,763

At 31 December 2021				
Amount due from related parties	-	2,172	252,053	254,225
Short-term loans	-	-	613,255	613,255
Long-term loans	36,160	-	16,643	52,803
	36,160	2,172	881,951	920,283
Less allowance for expected credit loss	-	-	(881,951)	(881,951)
Net	36,160	2,172	-	38,332

Movement of allowance for expected credit loss	Consolidated financial statements			Total
	Amount due from related parties	Short-term loans	Long-term loans	
	<i>(in thousand Dollar)</i>			
Lifetime ECL credit impaired				
At 1 January 2021	7,542	18,350	498	26,390
At 31 December 2021 and at 1 January 2022	7,542	18,350	498	26,390
At 31 December 2022	7,542	18,350	498	26,390

<i>Movement of allowance for expected credit loss</i>	Amount due from related parties	Consolidated financial statements		
		Short-term loans	Long-term loans	Total
<i>(in thousand Baht)</i>				
<i>Lifetime ECL credit impaired</i>				
At 1 January 2021	226,540	551,181	14,958	792,679
Translation adjustment	25,513	62,074	1,685	89,272
At 31 December 2021 and at 1 January 2022	252,053	613,255	16,643	881,951
Translation adjustment	8,617	20,965	569	30,151
At 31 December 2022	260,670	634,220	17,212	912,102
Separate financial statements				
	12-months ECL	Lifetime ECL- not credit-impaired	Lifetime ECL- credit-impaired	Total
<i>(in thousand Dollar)</i>				
<i>At 31 December 2022</i>				
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
	1,250	253	115,529	117,032
Less allowance for expected credit loss	-	-	(57,423)	(57,423)
Net	1,250	253	58,106	59,609
Separate financial statements				
	12-months ECL	Lifetime ECL- not credit-impaired	Lifetime ECL- credit-impaired	Total
<i>(in thousand Dollar)</i>				
<i>At 31 December 2021</i>				
Amount due from related parties	-	5,151	3,979	9,130
Short-term loans	-	-	6,127	6,127
Other non-current receivable	-	-	42,747	42,747
Long-term loan	-	-	55,361	55,361
	-	5,151	108,214	113,365
Less allowance for expected credit loss	-	-	(59,045)	(59,045)
Net	-	5,151	49,169	54,320

	12-months ECL	Separate financial statements		Total
		Lifetime ECL- not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit-impaired	
At 31 December 2022				
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
	43,203	8,744	3,992,959	4,044,906
Less allowance for expected credit loss	-	-	(1,984,677)	(1,984,677)
Net	43,203	8,744	2,008,282	2,060,229
At 31 December 2021				
Amount due from related parties	-	172,146	132,979	305,125
Short-term loans	-	-	204,764	204,764
Other non-current receivable	-	-	1,428,600	1,428,600
Long-term loan	-	-	1,850,159	1,850,159
	-	172,146	3,616,502	3,788,648
Less allowance for expected credit loss	-	-	(1,973,278)	(1,973,278)
Net	-	172,146	1,643,224	1,815,370

Movement of allowance for expected credit loss	Amount due from related parties	Separate financial statements			Total
		Short-term loans	Other non-current receivable	Long-term loans	
Lifetime ECL credit impaired					
At 1 January 2021	2,809	7,127	30,638	23,994	64,568
Unrealised losses on exchange	-	-	(3,094)	(1,429)	(4,523)
Write off	-	(1,000)	-	-	(1,000)
At 31 December 2021 and at 1 January 2022	2,809	6,127	27,544	22,565	59,045
Unrealised losses on exchange	-	-	(909)	(713)	(1,622)
At 31 December 2022	2,809	6,127	26,635	21,852	57,423

<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>			
<i>Lifetime ECL credit impaired</i>	84,374	214,074	920,277	720,710	1,939,435
At 1 January 2021					
Unrealised losses on exchange	-	-	(97,260)	(46,100)	(143,360)
Write-off	-	(30,257)	-	-	(30,257)
Translation adjustment	9,502	20,947	97,501	79,510	207,460
At 31 December 2021 and 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
At 31 December 2022	97,086	211,764	920,570	755,257	1,984,677

(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 2022, 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.

<i>At 31 December</i>	Consolidated financial statements			
	Carrying amount	Contractual cash flows		Total
		1 year or less	More than 1 years but less than 5 years	
		<i>(in thousand Dollar)</i>		
2022				
<i>Non-derivative financial liabilities</i>				
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
	125,474	86,070	39,404	125,474
2021				
<i>Non-derivative financial liabilities</i>				
Trade and other accounts payable	42,763	42,763	-	42,763
Borrowings from parent company	5,000	3,000	2,000	5,000
Borrowings from financial institution	46,694	14,209	32,485	46,694
Lease liabilities	201	123	78	201
	94,658	60,095	34,563	94,658

<i>At 31 December</i>	Consolidated financial statements			
	Carrying amount	Contractual cash flows		Total
		1 year or less	More than 1 years but less than 5 years	
		<i>(in thousand Baht)</i>		
2022				
<i>Non-derivative financial liabilities</i>				
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
	4,336,682	2,974,785	1,361,897	4,336,682
2021				
<i>Non-derivative financial liabilities</i>				
Trade and other accounts payable	1,429,134	1,429,134	-	1,429,134
Borrowings from parent company	167,100	100,260	66,840	167,100
Borrowings from financial institution	1,560,508	474,863	1,085,645	1,560,508
Lease liabilities	6,718	4,111	2,607	6,718
	3,163,460	2,008,368	1,155,092	3,163,460

<i>At 31 December</i>	Carrying amount	Separate financial statements		Total
		Contractual cash flows More than 1 years but less than 5 years	1 year or less	
2022				
Non-derivative financial liabilities				
Other accounts payable	706	706	-	706
Borrowings from parent company	9,000	9,000	-	9,000
Lease liabilities	245	106	139	245
	9,951	9,812	139	9,951
2021				
Non-derivative financial liabilities				
Other accounts payable	714	714	-	714
Borrowings from parent company	5,000	3,000	2,000	5,000
Lease liabilities	200	122	78	200
	5,914	3,836	2,078	5,914

<i>At 31 December</i>	Carrying amount	Separate financial statements		Total
		Contractual cash flows More than 1 years but less than 5 years	1 year or less	
2022				
Non-derivative financial liabilities				
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
	343,931	339,127	4,804	343,931
2021				
Non-derivative financial liabilities				
Other accounts payable	23,861	23,861	-	23,861
Borrowings from parent company	167,100	100,260	66,840	167,100
Lease liabilities	6,684	4,077	2,607	6,684
	197,645	128,198	69,447	197,645

(b.3) 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:

Managing interest rate benchmark reform (IBOR reform)

The Group monitors the progress of transition from IBOR to new benchmark rate by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause.

The following table shows the total amounts of financial instruments that have yet to transition to an alternative benchmark rates. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

<i>Key reference rate under the existing contracts</i>	Consolidated financial statements	
	(in thousand Dollar)	(in thousand Baht)
<i>At 31 December 2022</i>	LIBOR	
Borrowings from financial institution	32,484	1,122,725

(b.3.1) Foreign currency risk

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

<i>Exposure to foreign currency</i>	Consolidated financial statements			
	2022			
<i>At 31 December</i>	(in thousand US Dollar)			
	THB	AED	GBP	SAR
Financial assets	453	61	6,653	32,142
Financial liabilities	(5,310)	(1,155)	(7,596)	(19,124)
Net exposure	(4,857)	1,094	(943)	13,018

<i>Exposure to foreign currency</i>	Consolidated financial statements			
	2021			
<i>At 31 December</i>	(in thousand US Dollar)			
	THB	AED	GBP	SAR
Financial assets	736	98	-	30,944
Financial liabilities	(2,830)	(241)	-	(20,041)
Net exposure	(2,094)	(143)	-	10,903

<i>Exposure to foreign currency</i>	Separate financial statements	
	2022	2021
<i>At 31 December</i>	(in thousand US Dollar)	
	THB	THB
Financial assets	30,722	33,006
Financial liabilities	(696)	(462)
Net exposure	30,026	32,544

Sensitivity analysis

A reasonably possible strengthening (weakening) of US Dollar against all other currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

Consolidated financial statements					
<i>Impact to profit or loss</i>	Movement (%)	Profit or loss		Profit or loss	
		Strengthening (in thousand US Dollar)	Weakening	Strengthening (in thousand Baht)	Weakening
2022					
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)
2021					
Thai Baht	10	(233)	190	(7,774)	6,360
The United Arab Emirates Dirham	10	(16)	13	(531)	435
Saudi Arabia Riyal	10	1,211	(991)	40,485	(33,124)
Separate financial statements					
<i>Impact to profit or loss</i>	Movement (%)	Profit or loss		Profit or loss	
		Strengthening (in thousand US Dollar)	Weakening	Strengthening (in thousand Baht)	Weakening
2022					
Thai Baht	10	3,336	(2,730)	115,307	(94,343)
2021					
Thai Baht	10	3,616	(2,958)	129,841	(98,870)

(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.

<i>Exposure to interest rate risk At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>			
Financial instruments with variable interest rates				
Long-term borrowings from financial institution	<u>32,484</u>	<u>46,694</u>	<u>1,122,725</u>	<u>1,560,508</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 2022 and 2021, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements					
	2022	2022	2021	2021	2021	2021
	thousand Baht	thousand USD	thousand QAR	thousand Baht	thousand USD	thousand QAR
Letters of guarantee issued by financial institutions in the normal course of business	78,925	26,063	25	400	12,561	500
Guarantee for long-term borrowings of subsidiary to financial institution	-	32,583	-	-	46,854	-

	Separate financial statements			
	2022	2022	2021	2021
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	-	-	400	-
Guarantee for long-term borrowings of subsidiary to financial institution	-	32,583	-	46,854

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			
	2022	2021	2022	2021
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Other commitments</i>				
Short-term lease commitments	256	304	8,848	10,160
Long-term lease commitments	120	-	4,147	-
Total	376	304	12,995	10,160

23 Events after the reporting period

Short-term loan from parent company

On 7 February 2023, the Company entered into loan agreement with the parent company of US Dollar 7.5 million with interest rate at 7% per annum. The total amount was fully drawdown on 10 February 2023. According to the loan agreement, the purpose is to be utilized for working capital and the maturity date is on call.

 **THE COMPANY**

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

Sustainable Excellence



MERMAID

Mermaid Maritime Public Company Limited

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