



## Mermaid Maritime Public Company Limited

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

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

### **ANNOUNCEMENT OF SUBSCRIPTION BY MERMAID OF 25% OF THE SHARES OF WORLDCLASS INSPIRATION SDN. BHD.**

*Mermaid subscribes to 25% stake in Worldclass Inspiration Sdn. Bhd., an investment holding company and majority shareholder in Allied Marine & Equipment Sdn. Bhd., a Petronas licensed oil and gas offshore sub-sea engineering services company based in Malaysia.*

#### **1. Introduction**

The Board of Directors of Mermaid Maritime Public Company Limited ("Mermaid") wishes to announce that its wholly owned subsidiary, Mermaid Offshore Services Ltd. ("MOS"), has on 06 December 2007 entered into a Share Subscription Agreement with Worldclass Inspiration Sdn. Bhd. ("WCI") for the subscription of 8,162,963 ordinary shares in WCI (the "Shares"), representing 25% (twenty five) percent of WCI's total issued share capital (the "Subscription").

#### **2. Information about WCI**

WCI is a company incorporated on 18 April 2007 in Malaysia. Its registered office is at Suite 405, 4<sup>th</sup> Floor, Plaza Magnum, 148 Jalan Pudu, 55100 Kuala Lumpur, Malaysia.

Subsequent to the Subscription, WCI's issued share capital will comprise a total of 32,651,852 ordinary shares with a par value of RM1.00 each. 24,488,889 of these ordinary shares representing 75% (seventy five percent) of WCI's total issued capital are presently fully paid and registered in the name of Georgia Attraction Sdn. Bhd. ("GA"), a Buimputra-owned company. The other 25% (twenty five percent) is now owned by MOS as a result of the Subscription. WCI is in the business of investing in offshore oil and gas service companies and its chairman is Datuk Azizan bin Abd Rahman. At present, WCI's sole asset is its shares in Allied Marine & Equipment Sdn. Bhd. ("AME").

AME is a company incorporated on 28 November 1988 in Malaysia. Its principal place of business is at No. 23, Jalan Industri Batu Caves 1/6, Taman Perindustrian, Batu Caves, 68100, Selangor, Malaysia. It has a registered share capital of RM10,000,000 (Ringgit Malaysia Ten Million) of RM1.00 each, of which



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RM8,700,000 (Ringgit Malaysia Eight Million Seven Hundred Thousand) is issued and fully paid up.

The current shareholders of AME are WCI holding 4,785,000 ordinary shares representing 55% (fifty five percent) of the issued and paid up capital of AME, and AME Asset Holdings Sdn. Bhd. ("AAH") holding 3,915,000 ordinary shares representing 45% (forty five percent) of the issued and paid up capital of AME.

On 23 July 2007, WCI and AAH executed a share purchase agreement whereby AAH has agreed to sell 3,045,000 ordinary shares of AME to WCI, representing 35% (thirty five percent) of the issued and paid up capital in AME. The acquisition is scheduled to conclude by this December, 2007. Upon the completion of this acquisition, WCI will own 7,830,000 ordinary shares of AME, representing 90% (ninety percent) of the issued and paid up capital of AME. MOS will still retain its 25% shareholding in WCI subsequent to this acquisition,.

### **3. Information about AME**

AME is primarily in the business of providing underwater services to national and international oil and gas companies in South East Asia. It holds Petronas self-operator licenses for the provision of underwater services in Malaysia in the areas of underwater engineering construction and maintenance services, saturation and surface diving services and remotely operated vehicle ("ROV") services.

AME owns one (1) dive support vessel, saturation systems, air dive spreads, one (1) ROV support vessel and a range of ROVs. It also has skilled and experienced onshore and offshore personnel.

### **4. Rationale for the Subscription**

Malaysia represents a key market for the provision of offshore services. The Subscription enables MOS to formally enter the Malaysian market and to work closely with AME to deliver high quality sub-sea engineering services into the Malaysian market while maintaining AME's status as a Malaysian self-operator. Both AME and MOS will benefit from access to each other's clients, assets and skilled and experienced personnel to provide a complete and high quality sub-sea engineering service to the offshore oil and gas sector in the South East Asian region.



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### 5. Consideration

The total consideration for the Subscription of the Shares is RM 33,511,111 (Ringgit Malaysia Thirty Three Million Five Hundred Eleven Thousand One Hundred Eleven). The consideration was arrived based on negotiations on a willing-buyer willing-seller basis with regard to current market conditions and is within fair value as assessed by Mermaid based on the current market value of the assets and future growth and earnings potential of AME. The consideration was fully funded through an increase in the issued share capital of MOS which was fully subscribed by Mermaid out of the proceeds received from the recent initial public offering ("IPO") of the shares of Mermaid. Payment was made in full to WCI at the time of execution of the Share Subscription Agreement.

### 6. Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

In order to determine the classification of the acquisition, the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(a) Net Asset Value Test (Rule 1006(a))

The net asset value test is not applicable to the Subscription.

(b) Net Profits Test (Rule 1006(b))

The net profit of the Mermaid group as at 30 September 2007 (latest audited financial statement) was THB 541,081,756.

The net profit of the AME group as at 31 December 2006 (latest audited financial statement) was RM 47,912. This is equivalent to THB 495,410 (based on an exchange rate of RM 1.00 = THB 10.34). Assuming Mermaid's interest is 22.5% (i.e. 25% of WCI and assuming WCI already owns 90% of AME), Mermaid's interest would be equivalent to THB 111,422.

Therefore, net profit attributable to the shares acquired compared with Mermaid's group net profits based on the above calculation is 0.02%.

(c) Market Capitalization Test (Rule 1006(c))

The Consideration of RM 33,511,111 is equivalent to approximately SGD 14,506,974 (based on the exchange rate of RM 1.00 = SGD 2.31). This



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represents 1.49% of Mermaid's market capitalization of SGD 970,336,623 million. The market capitalization is computed based on the weighted average price of Mermaid's shares transacted on 05 December 2007 (SGD 1.8546), being the market day preceding the date of the contract signing, multiplied by the number of shares in issue (523,205,340 shares).

(d) Equity Securities Test (Rule 1006(d))

The equity securities test is not applicable to the Subscription as no equity securities are being issued as consideration for the Subscription.

Having regard to the above, the Subscription is a "non-disclosable transaction" under Rule 1010 of the Listing Manual.

### 7. Financial Effects

For illustrative purposes only, the financial effects based on the latest audited consolidated financial statements for the Mermaid Group for the year ended 30 September 2007 ("FY2007") are as follows:

- (a) Assuming that the Subscription had been effected at the end of FY2007, the pro forma effects on the consolidated net tangible assets ("NTA") of Mermaid for FY2007 are as follows:

	Before Subscription	After Subscription
NTA (THB'000) [a]	2,986,035	3,332,540 [b]
NTA per share (THB) [c]	5.53	6.37
NTA per share (SGD) [d]	0.24	0.28

Note:

[a] NTA is calculated based on Thai Generally Accepted Accounting Principles (GAAP) and for the purpose of this illustration is total assets minus total liabilities since Mermaid has minimal intangible assets.

[b] based on an exchange rate of RM 1.00 = THB 10.34 and assumption of 100% equity funding.



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[c] based on 523,205,340 issued and paid-up ordinary shares of the Company post IPO as this would adjust for the difference arising from the IPO, such that the effect is attributed solely to the Subscription.

[d] based on an exchange rate of SGD 1.00 = THB 23.00.

- (b) Assuming that the Subscription had been effected at the beginning of FY2007, the impact on Mermaid's earnings per share ("EPS") is as follows:

	Before Subscription	After Subscription
Net Profit (THB'000) [a]	541,082	541,193 [b]
EPS (THB) [c]	1.034	1.034
EPS (SGD) [d]	0.045	0.045

Note:

[a] NTA is calculated based on Thai Generally Accepted Accounting Principles (GAAP).

[b] based on an exchange rate of RM 1.00 = THB 10.34.

[c] based on 523,205,340 issued and paid-up ordinary shares of Mermaid post IPO as this would adjust for the difference arising from the IPO, such that the effect is attributed solely to the Subscription.

[d] based on an exchange rate of SGD 1.00 = THB 23.00.

#### **8. Interest of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of Mermaid has any interest, direct or indirect, in the Subscription. There are also no new directors proposed to be appointed to Mermaid in connection with the Subscription.

BY ORDER OF THE BOARD

Vincent Siaw  
Company Secretary  
06 December 2007



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Macquarie Securities (Singapore) Pte Limited was the Sole Global Coordinator, Bookrunner and Underwriter for, and Macquarie Securities (Asia) Pte Limited was the Issue Manager for, the initial public offering of Mermaid. This announcement has been prepared and released by Mermaid.

### About Mermaid

Mermaid Maritime Public Company Limited (“Mermaid” or the “Company”) is a leading provider of drilling and sub-sea engineering services for the oil and gas industry in South East Asia. Over the last five years, the Company has grown significantly in the areas of sub-sea engineering, and more recently, drilling services for the offshore oil and gas industry as well as in training and technical services. Mermaid has established itself as a company recognized by the industry for high quality services, delivered safely and efficiently. The Company has developed a strong blue chip client base that includes some of the world’s largest oil and gas-related companies. The Company operates throughout South East Asia, particularly in Thailand, Indonesia, Malaysia and Vietnam.

Mermaid provides drilling services through its majority-owned (95%) subsidiary, Mermaid Drilling Ltd. (“MDL”) which currently has two tender rigs. The Company provides sub-sea engineering services through its wholly owned subsidiary, Mermaid Offshore Services Ltd. (“MOS”). MOS provides sub-sea inspection, repair and maintenance services, light construction services and emergency repair and call out services in South East Asia. MOS’ fleet consists of four vessels which it owns, in addition to one dynamic positioning construction vessel and one remotely operated vehicle (“ROV”)/air dive support vessel, both of which it charters. In addition, MOS owns one portable saturation diving system, seven air diving systems and seven ROVs.