

**GUIDELINES FOR SHAREHOLDER PARTICIPATION IN THE EXTRAORDINARY GENERAL MEETING NO. 01/2013 (THE “EGM”)**

*Unless otherwise defined, all capitalised terms used in this guidelines shall bear the same meanings as ascribed to them in the circular to shareholders dated 12 June 2013 issued by Mermaid Maritime Public Company Limited (the “Circular”).*

Your entitlement to vote is based on the number of your Shares as at 5:00 p.m. (Singapore time), 7 June 2013.

**1. IF YOU HOLD SHARES THROUGH CDP**

Under the laws of Thailand, only a person who is a registered shareholder of the Company may attend and vote at the EGM. Since your Shares are held through your Securities Account with CDP, CDP is the registered shareholder of your Shares.

You can therefore participate, either through giving instructions to CDP (Option A) or by withdrawing your Shares out of CDP (Option B). See below.

**OPTION A:** You can exercise your vote through CDP by completing and returning to CDP your voting instruction form. CDP will appoint a proxy to attend the EGM and vote pursuant to your instructions. **All shareholders with Shares in the Securities Account with CDP as at 5.00 p.m. (Singapore time), 7 June 2013 will receive a voting instruction form by mail.**

If you choose Option A, please complete the voting instruction form and mail or hand deliver it to CPD by 5:00 p.m. (Singapore time), 26 June 2013.

**OPTION B:** Transfer your Shares out of CDP and register those Shares in your own name with the Company no less than two days prior to the EGM. This process for withdrawal takes approximately 10 Market Days.

**Important Note: If you withdraw your Shares out of CDP, you will have to bear all costs of transfer, and you will not be able to trade in your Shares on the SGX-ST until you deposit your Shares back into CDP.**

If you choose Option B, please contact the Share Transfer Agent for further details and assistance: Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Tel: (65) 6230 - 9608. Fax: (65) 6536 - 1360.

After you have registered those Shares in your own name with the Company and become a registered shareholder of the Company, you can either participate in person or appoint a proxy to attend and vote on your behalf. The Share Transfer Agent will provide you with the relevant proxy forms upon your registration. In this case, Section 2 (below) will apply to you.

**2. IF YOU HOLD SHARES DIRECTLY WITH THE COMPANY (REGISTERED SHAREHOLDER OF THE COMPANY)**

If you are a registered shareholder with the Company (your Shares are not held through your Securities Account with CDP, or if you have exercised Option B above), then you can attend the EGM and vote in your capacity as a registered shareholder, either in person or by proxy. Such proxy need not be a member of the Company. The instrument appointing a proxy must be delivered to the Chairman of the EGM or a person entrusted by the Chairman at the EGM prior to the start of the EGM.

**MERMAID MARITIME PUBLIC COMPANY LIMITED**  
**Bangkok, Thailand**  
**("Company")**

**MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**No. 01/2013**

**Time and Place:**

The Annual General Meeting of Shareholders No. 01/2013 was held on 28 January 2013 at 10:00 A.M. (Bangkok time) in the Persian Gulf Room at No. 26/14, 5<sup>th</sup> Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand ("Meeting").

**Directors Present:**

Mr. Prasert Bunsumpun	Chairman
Mr. Chalermchai Mahagitsiri	Executive Vice Chairman and CEO
M.L. Chandchutha Chandratat	Executive Director
Mr. Chia Wan Huat Joseph	Non-Executive Director
Mr. Ng Cher Yan	Independent Director <sup>1</sup>
Mr. Toh Wen Keong Joachim	Independent Director <sup>2</sup>

**Officers Present:**

Ms. Siriwan Chamnannarongsak	Finance Director
Mr. Vincent Siaw	Company Secretary
Mr. Gancanapol Van Compernelle	Investor Relations Officer

**Shareholders Present:**

**Shares:**

Thoresen Thai Agencies Plc. (Mr. Chalermchai Mahagitsiri as proxy)	277,823,871
Thailand Equity Fund (Mr. Plengchat Triyawatanyu as proxy)	118,285,229
Central Depository (Pte.) Ltd. (Mr. Prasert Bunsumpun as proxy)	117,654,600
Ms. Oraporn Lerdthuwanon (Ms. Rujiraporn Hengtrakool as proxy)	10
Mr. Vincent Siaw	10
Ms. Nittaya Wimonwong (Ms. Rujiraporn Hengtrakool as proxy)	1
Ms. Mantanee Surakarnkul (Ms. Rujiraporn Hengtrakool as proxy)	1
Mr. Mark D' Alelio (Ms. Rujiraporn Hengtrakool as proxy)	4
Ms. Rujiraporn Hengtrakool	1
Ms. Kornwipa Puenpoka (Ms. Rujiraporn Hengtrakool as proxy)	1
Ms. Saijai Boondirek (Ms. Rujiraporn Hengtrakool as proxy)	1

<sup>1</sup> Also Chairman of the Audit Committee and Chairman of the Remuneration Committee

<sup>2</sup> Also Chairman of the Remuneration Committee

Mr. Naratip Srifa (Ms. Rujiraporn Hengtrakool as proxy)	1
Soleado Holdings Pte. Ltd. (Mr. Chalermchai Mahagitsiri as proxy)	52,941,870
	<b>566,705,600</b>

**Preliminary Proceedings:**

Mr. Prasert Bunsumpun was the Chairman of the Meeting (“Chairman”). The Chairman called the Meeting to order and introduced those members of the Board of Directors (collectively the “Board” and individually a “Director”) present. The Chairman also introduced Mr. Jean Paul Thevenin who will be standing for election as a Director. The Chairman then referred to the rules of conduct for the Meeting and explained those rules to the shareholders present.

The Secretary reported that the shareholders’ list shows that 15 (fifteen) holders of 784,747,743 ordinary shares of the Company are entitled to attend and vote at this Meeting and that there were 13 (thirteen) shareholders represented in person or by proxy representing 566,705,600 ordinary shares, or approximately 72.22 percent of all shares entitled to attend and vote at the Meeting.

The Chairman informed those present that based on the percentage of the total shares of the Company held by shareholders present at the Meeting, either in person or by proxy, a quorum was present. The Chairman then duly convened the Meeting and explained the voting procedures. The Meeting then transacted the following business:

**As Ordinary Resolutions:**

**1. To adopt the minutes of AGM No. 01/2012 held on 26 January 2012.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders adopt the minutes of AGM No. 01/2012 held on 26 January 2012 as set forth in Attachment 2 to the notice of the Meeting.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

For	Against	Abstain	Total
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%

Resolution No. 1: Based on the voting results, the Chairman declared that the shareholders present had unanimously resolved to approve the minutes of AGM No. 01/2012 held on 26 January 2012.

**2. To acknowledge and adopt the report by the Board of Directors concerning the Company's business for the financial year ended 30 September 2012.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders acknowledge and adopt the report by the Board concerning the Company's business for the financial year ended 30 September 2012 as contained in the Annual Report at Attachment 4 to the notice of the Meeting.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%

Resolution No. 2: Based on the voting results, the Chairman declared that the shareholders present had unanimously resolved to acknowledge and adopt the report by the Board concerning the Company's business for the financial year ended 30 September 2012, as contained in the Annual Report.

**3. To approve the Financial Statements of the Company for the financial year ended 30 September 2012 and the accompanying independent auditor's report.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders approve the Financial Statements of the Company for the financial year ended 30 September 2012 and the accompanying independent auditor's report, all as contained in the Annual Report at Attachment 4 to the notice of the Meeting.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%

Resolution No. 3: Based on the voting results, the Chairman declared that the shareholders present had unanimously resolved to approve the Financial Statements of the Company for the financial year ended 30 September 2012 and the accompanying independent auditor's report, all as contained in the Annual Report.

4. **To approve the application of profits from the business of the Company and the payment of a final dividend of Thai Baht 0.0274 per ordinary share of the Company for the financial year ended 30 September 2012.**

The Chairman informed those present that the audited income statement of the Company for the financial year ended 30 September 2012 reported a Company net loss on a non-consolidated basis of Thai Baht 3,235,337 and a Company net profit on a consolidated basis of Thai Baht 86,020,760.

The Chairman also informed those present that it is the recommendation of the Board that a final dividend of Thai Baht 0.0274 per ordinary share of the Company be paid to the shareholders whose names appear in the share register of the Company at 5:00 p.m. (Singapore time) on 31 January 2013 (the total amount to be paid being approximately Thai Baht 21.5 million). If approved by the shareholders, the Company is scheduled to pay this final dividend on 22 February 2012. There will be no additional appropriation to legal reserve as the Company's legal reserve had met the requirement of the Thai Public Limited Companies Act B.E. 2535 (1992). The balance of net profits shall be retained in the Company to support its business and future growth.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%

Resolution No. 4: Based on the voting results, the Chairman declared that the shareholders present had unanimously approved the application of profits from the business of the Company as proposed and the payment of a final dividend of Thai Baht 0.0274 per ordinary share of the Company for the financial year ended 30 September 2012.

5. **To approve the re-election of Directors retiring by rotation pursuant to the Articles of Association of the Company**

The Chairman informed those present that the following Directors will be retiring pursuant to Article 15 of the Articles of Association of the Company:

Mr. Chalermchai Mahagitsiri	Executive Vice Chairman
Mr. Prasert Bunsumpun	Non-Executive Chairman
Mr. Surasak Khaoroptham	Non-Executive Director

The Chairman also informed those present that it was the recommendation of the Nomination Committee and the recommendation of the Board (with Mr. Chalermchai Mahagitsiri, Mr. Prasert Bunsumpun and Mr. Surasak Khaoroptham each having abstained on recommendations and voting that concerned themselves) that the shareholders should re-elect those three said Directors for a further term.

Detailed information on these Directors could be found under 'Board of Directors' in the Annual Report at Attachment 4 to the notice of the Meeting.

Mr. Chalermchai Mahagitsiri, upon his re-election as a Director of the Company, will remain as an Executive Director, Executive Vice Chairman and member of the Executive Committee. Mr. Prasert Bunsumpun, upon his re-election as a Director of the Company, will remain as a Non-Executive Director, Chairman of the Board, and Chairman of the Executive Committee. Mr. Surasak Khaoroptham, upon his re-election as a Director of the Company, will remain as a Non-Executive Director.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposals. There were no questions or comments raised by the shareholders. The Chairman then requested that the shareholders vote separately for the re-election of each Director. The Meeting then voted on the proposals.

In relation to the re-election of Mr. Chalermchai Mahagitsiri as a Director of the Company:

For	Against	Abstain	Total
566,702,600	3,000	0	566,705,600
99.99%	0.01%	0.00%	100%

Resolution No. 5: Based on the voting results, the Chairman declared that the shareholders present had resolved to re-elect Mr. Chalermchai Mahagitsiri as a Director of the Company.

In relation to the re-election of the Chairman as a Director of the Company:

For	Against	Abstain	Total
566,702,600	3,000	0	566,705,600
99.99%	0.01%	0.00%	100%

Resolution No. 6: Based on the voting results, the Chairman declared that the shareholders present had resolved to re-elect himself as a Director of the Company.

In relation to the re-election of Mr. Surasak Khaoroptham as a Director of the Company:

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,702,600	3,000	0	566,705,600
99.99%	0.01%	0.00%	100%

Resolution No. 7: Based on the voting results, the Chairman declared that the shareholders present had resolved to re-elect Mr. Surasak Khaoroptham as a Director of the Company.

**6. To approve the election of Mr. Jean Paul Thevenin as a Director of the Company.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders elect Mr. Jean Paul Thevenin as a Director of the Company. The Nomination Committee, having reviewed his qualifications, experience and expertise, was of the opinion that his appointment will be beneficial to the Company and the shareholders. Mr. Jean Paul Thevenin has a 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 had served for many years as President of the Franco – Thai Chamber of Commerce in Thailand and is a recipient of the National Order of Merit, a French decoration awarded in recognition of his distinguished civil achievements, as well as an honorary Ph.D. from King Mongkut Institute of Technology in Thailand.

Mr. Jean Paul Thevenin has also been considered by the Nomination Committee as independent for the purposes of Rule 210(5)(c) of the Listing Rules of the SGX-ST, notwithstanding the fact that, for a number of years until 2010, he had served as a director and key executive in Thainox Stainless Plc., a company previously majority owned and controlled by Mr. Prayudh Mahagitsiri and/or his associates. Mr. Prayudh Mahagitsiri is the father of Mr. Chalermchai Mahagitsiri. It is considered that the relationship between Mr. Jean Paul Thevenin and Thainox Stainless Plc. did not fall under any of the specific examples of situations which would deem a Director to be non-independent as set out in the Singapore Code of Corporate Governance 2005 and 2012, and that his longstanding professional and civil achievements outside of this relationship otherwise places him in good standing to serve the Company as an Independent Director. More detail on his background and qualifications were as set forth at Attachment 3 to the notice of the Meeting.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%



Resolution No. 8: Based on the voting results, the Chairman declared that the shareholders present had unanimously resolved to elect Dr. Jean Paul Thevenin as a Director of the Company.

**7. To approve the appointment of auditors from KPMG Phoomchai Audit Ltd. as the auditors of the Company for the financial year ending 30 September 2013.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders appoint auditors from KPMG Phoomchai Audit Ltd. whose names appear below as the auditors of the Company for the financial year ending 30 September 2013:

Ms. Siripen Sukcharoenyingyong	CPA License No. 3636
Mr. Charoen Phosamritlert	CPA License No. 4068
Mr. Veerachai Ratanajaratkul	CPA License No. 4323
Ms. Pornthip Rimdusit	CPA License No. 5565

The Chairman added that any one of the auditors above shall be authorised to conduct the audit and render an opinion on the Financial Statements of the Company, both on a consolidated and non-consolidated basis. In the absence of the above named auditors, KPMG Phoomchai Audit Ltd. shall be authorised to identify one other Certified Public Accountant within KPMG Phoomchai Audit Ltd. to conduct the same.

Furthermore, the Chairman stated that none of the auditors proposed have/shall have relationships or interests in the Company, its subsidiaries, its management, major shareholders or other related parties.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

For	Against	Abstain	Total
566,705,600	0	0	566,705,600
100%	0.00%	0.00%	100%

Resolution No. 9: Based on the voting results, the Chairman declared that that the shareholders present had unanimously resolved to appoint the following auditors from KPMG Phoomchai Audit Ltd. as the auditors of the Company for the financial year ending 30 September 2013:

Ms. Siripen Sukcharoenyingyong	CPA License No. 3636
Mr. Charoen Phosamritlert	CPA License No. 4068
Mr. Veerachai Ratanajaratkul	CPA License No. 4323
Ms. Pornthip Rimdusit	CPA License No. 5565



In the absence of the above named auditors, KPMG Phoomchai Audit Ltd. shall be authorised to identify one other Certified Public Accountant within KPMG Phoomchai Audit Ltd. to conduct the same.

**8. To approve the remuneration of the auditors for the audit of the Financial Statements of the Company for the year ending 30 September 2013 at Thai Baht 2,200,000.**

The Chairman informed those present that it was the recommendation of the Board that the shareholders approve the remuneration of the auditors for the audit of the Financial Statements of the Company for the financial year ending 30 September 2013 at Baht 2,200,000.

The Chairman then asked the shareholders if they had any questions or comments regarding the proposal. There were no questions or comments raised by the shareholders. The Meeting then voted on the proposal.

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Total</b>
566,702,600	3,000	0	566,705,600
99.99%	0.01%	0.00%	100%

Resolution No. 10: Based on the voting results, the Chairman declared that the shareholders present had resolved to approve the audit fees of Baht 2,200,000 for the auditors of the Company for the financial year that ending 30 September 2013.

**9. To transact any other ordinary business that may be properly transacted at AGM No. 01/2013.**

The Chairman asked the shareholders if they had any other ordinary business to be transacted at the Meeting. There were no proposals raised by the shareholders.

As there was no further business, the Chairman thanked all present for the Meeting, and for their continued support of the Company, and declared the Meeting officially adjourned at 10:15 A.M.

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Mr. Prasert Bunsumpun  
Chairman of the Meeting

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Verified by Mr. Vincent Siaw  
Company Secretary

**CIRCULAR DATED 12 JUNE 2013**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

If you have sold or transferred all your ordinary shares with a par value of Baht 1 each ("**Shares**") in the capital of Mermaid Maritime Public Company Limited (the "**Company**"), you should immediately hand this Circular, the Notice of Extraordinary General Meeting of Shareholders No. 01/2013 (the "**Notice of EGM**") and the enclosed proxy form and voting instructions form to the purchaser or the transferee or the bank, stockbroker, or agent through whom you effected the sale or transfer for transmission to the purchaser or the transferee.

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

The Equity Fund Raising is subject to, among others, the receipt of approval from the Office of the Securities and Exchange Commission of Thailand.

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

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

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

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



## **MERMAID MARITIME PUBLIC COMPANY LIMITED**

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)  
(Registration Number 010755000017)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (1) **THE PROPOSED ADOPTION OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS NO. 01/2013 HELD ON 28 JANUARY 2013;**
- (2) **THE PROPOSED REDUCTION IN THE REGISTERED CAPITAL OF THE COMPANY FROM BAHT 791,213,843 TO BAHT 787,055,943 BY MEANS OF THE CANCELLATION OF 4,157,900 SHARES AND THE AMENDMENT TO THE MEMORANDUM OF ASSOCIATION**
- (3) **THE PROPOSED INCREASE IN THE REGISTERED CAPITAL FROM BAHT 787,055,943 TO BAHT 1,416,700,697 BY MEANS OF THE ISSUANCE OF 629,644,754 SHARES AND THE AMENDMENT TO THE MEMORANDUM OF ASSOCIATION;**
- (4) **THE PROPOSED ALLOCATION OF UP TO 628,780,754 RIGHTS SHARES FROM THE INCREASE IN THE REGISTERED CAPITAL FOR OFFERING TO REGISTERED SHAREHOLDERS UNDER THE RIGHTS ISSUE;**
- (5) **THE PROPOSED ALLOTMENT OF THE EXCESS RIGHTS SHARES;**
- (6) **THE PROPOSED ALLOCATION OF SUCH NUMBER OF PLACEMENT SHARES, WHICH WOULD BE EQUIVALENT TO THE REMAINING UNSUBSCRIBED EXCESS RIGHTS SHARES, TO PLACEEES PURSUANT TO THE PRIVATE PLACEMENT AT THE PLACEMENT PRICE;**
- (7) **THE PROPOSED GRANT OF AUTHORITY TO THE BOARD, THE AUTHORISED DIRECTORS, OR OTHER DELEGATES OF THE BOARD IN CONNECTION WITH THE EQUITY FUND RAISING; AND**
- (8) **THE PROPOSED ALLOCATION OF UP TO 1,846,560 SHARES FROM THE INCREASE IN THE REGISTERED CAPITAL TO PROVIDE FOR THE ADJUSTMENTS TO THE OPTIONS.**



**Manager for the Rights Issue**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of the voting instruction form	:	Wednesday, 26 June 2013 at 5.00 p.m. (Singapore time)
Last date for the return of proxy form	:	Delivered to the chairman of the EGM or a person entrusted by the chairman of the EGM prior to attending the EGM
Date and time of EGM	:	Thursday, 4 July 2013 at 10.00 a.m. (Bangkok time)
Place of EGM	:	Please refer to the Notice of EGM

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## DEFINITIONS

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

- “**1H2012**” : The financial period for the six months ended 31 March 2012
- “**1H2013**” : The financial period for the six months ended 31 March 2013
- “**Adjustments to the Options**” : The adjustments to be made to the options in accordance with the rules of the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011, in connection with the Equity Fund Raising
- “**AOD**” : Asia Offshore Drilling Limited, a 33.76% owned associate of the Company
- “**ARE**” : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to an Entitled Depositor setting out the allotment of Rights of such Entitled Depositor under the Rights Issue
- “**ATM**” : Automated teller machine
- “**Audited Financial Statements**” : The audited financial statements of the Company and the Group as of and for the financial years ended 30 September 2010, 30 September 2011 and 30 September 2012
- “**Authorised Directors**” : Mr. Chalermchai Mahagitsiri, Mr. Chia Wan Huat Joseph, Mr. Surasak Khaoroptham and M.L. Chandchutha Chandratat
- “**Board**” : The Board of Directors of the Company
- “**CDP**” : The Central Depository (Pte) Limited
- “**Circular**” : This circular to Shareholders dated 12 June 2013
- “**Closing Date**” : The last time and date for acceptance of and payment for Rights Shares and if applicable, application and payment for Excess Rights Shares under the Rights Issue through CDP, the Share Transfer Agent or an ATM of a participating bank
- “**Companies Act**” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “**Company**” or “**Mermaid**” : Mermaid Maritime Public Company Limited
- “**Directors**” : The directors of the Company as at the date of this Circular, and **Director** means any one of them
- “**Drilling Division**” : One of the two operating divisions of the Group that provides tender rig drilling services
- “**EGM**” : Extraordinary general meeting of the Company No. 01/2013 to be held on Thursday, 4 July 2013 at 10.00 a.m. (Bangkok time) at Arabian Sea Room, No. 26/14, 5<sup>th</sup> Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand

<b>“Entitled Depositors”</b>	: Depositors with Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, other than, subject to certain exceptions, Shareholders with a registered address in the United States or who are U.S. persons (as defined in Regulation S under the Securities Act), or who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of Rights and Rights Shares may not be lawfully made
<b>“Entitled Scripholders”</b>	: Registered holders of Shares in the Register of Shareholders, excluding CDP, whose share certificate have not been deposited with CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and the certificates relating thereto for registration up to the Rights Issue Books Closure Date and whose registered addresses with the Company are (a) in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents; other than, subject to certain exceptions, Shareholders with a registered address in the United States or who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of Rights and Rights Shares may not be lawfully made, or (b) in Thailand
<b>“Equity Fund Raising”</b>	: The Rights Issue and the Private Placement
<b>“ESOP 2008”</b>	: The employee share option plan of the Company approved by Shareholders on 11 July 2007
<b>“ESOP 2009”</b>	: The employee share option plan of the Company approved by Shareholders on 29 January 2009
<b>“ESOP 2010”</b>	: The employee share option plan of the Company approved by Shareholders on 28 January 2010
<b>“ESOP 2011”</b>	: The employee share option plan of the Company approved by Shareholders on 25 January 2011
<b>“Excess Rights Shares”</b>	: The Shares represented by the Rights not accepted, taken up or allotted for any reason and the fractional Rights not allotted in accordance with the terms of the Rights Issue
<b>“FBA”</b>	: The Foreign Business Act B.E. 2542 (1999) of Thailand
<b>“FY”</b>	: Financial year ended 30 September
<b>“Group”</b>	: The Company and its subsidiaries
<b>“IFRS”</b>	: International Financial Reporting Standards
<b>“Increase in Registered Capital”</b>	: The proposed increase of the Registered Capital in connection with the Equity Fund Raising and the Adjustment to the Options

<b>“Irrevocable Undertaking”</b>	: The irrevocable undertaking dated 4 April 2013 given by TTA in relation to the proposed Rights Issue, as described in Section 3.2 of this Circular
<b>“Latest Practicable Date”</b>	: 31 May 2013, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST, as amended or modified from time to time
<b>“Manager”</b>	: HL Bank
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“MAS”</b>	: The Monetary Authority of Singapore
<b>“Maximum Subscription Scenario”</b>	: The issuance of 628,780,754 New Shares pursuant to the Equity Fund Raising, based on the existing issued share capital of the Company and assuming that all outstanding options which are exercisable are exercised prior to the Rights Issue Books Closure Date and the Rights Issue is fully subscribed, or to the extent there are unsubscribed Excess Rights Shares, which are subsequently all allocated under the Private Placement at the Placement Price
<b>“Memorandum of Association”</b>	: The Memorandum of Association of the Company
<b>“Minimum Subscription Scenario”</b>	: The issuance of 358,731,472 Rights Shares pursuant to the Equity Fund Raising, based on the existing issued share capital of the Company and assuming that only TTA and TTA’s wholly-owned subsidiaries subscribe for the Rights Shares pursuant to the Irrevocable Undertaking, and none of the other Shareholders subscribe for any Rights Shares and none of the unsubscribed Excess Rights Shares are allocated under the Private Placement
<b>“MOC”</b>	: The Ministry of Commerce of Thailand
<b>“New Shares”</b>	: Rights Shares and Placement Shares to be issued pursuant to the Equity Fund Raising
<b>“Non-Entitled Depositors”</b>	: Depositors with Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date other than the Entitled Depositors
<b>“Non-Entitled Scripholders”</b>	: Registered holders of Shares in the Register of Shareholders (excluding CDP) as at the Rights Issue Books Closure Date other than the Entitled Scripholders
<b>“Notice of EGM”</b>	: The notice of the EGM, issued to Shareholders together with this Circular
<b>“NTA”</b>	: Net tangible assets
<b>“Ordinary Resolution”</b>	: A resolution proposed and passed as such by a majority consisting of more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Shareholders convened in accordance with the provisions of the Articles of Association of the Company

<b>“PAL”</b>	: The provisional allotment letter to be issued to an Entitled Scripholder, setting out the Rights of such Entitled Scripholder under the Rights Issue
<b>“Placee”</b>	: A person who subscribes to the Placement Shares pursuant to the Private Placement, excluding (a) the Company’s directors and Substantial Shareholders; (b) immediate family members of the directors and Substantial Shareholders; (c) Substantial Shareholders, related companies, associated companies and sister companies of the Company’s Substantial Shareholders; and (d) corporations in whose shares the Company’s directors and Substantial Shareholders have an aggregate interest of at least 10.0%
<b>“Placement Price”</b>	: Such price as may be determined by the Company in relation to the Placement Shares, which may be more than a 10.0% discount to the VWAP but which will in no event be lower than the Rights Issue Price
<b>“Placement Shares”</b>	: New Shares to be allocated by the Company to the Placees pursuant to the Private Placement
<b>“PLCA”</b>	: The Public Limited Companies Act B.E. 2535 (1992) of Thailand, as amended
<b>“Private Placement”</b>	: The proposed allocation by the Company of Placement Shares to Placees pursuant to a private placement in reliance of Section 272B of the Securities and Futures Act, Chapter 289 of Singapore at the Placement Price
<b>“QIBs”</b>	: Qualified institutional buyers (as defined in Rule 144A under the Securities Act)
<b>“Record Date”</b>	: In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered or the Securities Accounts of Depositors must be credited with Shares in order to participate in such dividends, rights, allotments or other distributions
<b>“Reduction in Registered Capital”</b>	: The proposed reduction of the Registered Capital in connection with the Increase in Registered Capital
<b>“Register of Shareholders”</b>	: The Register of Shareholders of the Company maintained by the Company
<b>“Registered Capital”</b>	: The registered capital of the Company
<b>“Registered Shareholders”</b>	: Entitled Depositors and Entitled Scripholders
<b>“Relevant Shares”</b>	: The TTA Initial Shares and the Soleado Initial Shares
<b>“Rights”</b>	: Rights to subscribe for four (4) Rights Shares for every five (5) existing Shares held by Registered Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares



<b>“Rights Issue”</b>	: The proposed non-renounceable non-underwritten rights issue by the Company of up to 628,780,754 Rights Shares <sup>1</sup> , at the Rights Issue Price, on the basis of four (4) Rights Share for every five (5) existing Shares held by Registered Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.
	The Rights of CDP will be split and credited to the Securities Accounts of Entitled Depositors, on the basis of four (4) Rights Shares for every five (5) existing Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares
	Unless indicated otherwise, all information in this Circular assumes that the Rights Issue is fully subscribed
<b>“Rights Issue Books Closure Date”</b>	: The time and date as the Directors may determine, at and on which, subject to the approval of, among others, the Rights Issue being obtained at the EGM and the approval of the SEC, the Register of Shareholders and the Depository Register maintained by CDP will be closed to determine the Rights of Shareholders under the Rights Issue
<b>“Rights Issue Price”</b>	: The issue price for each Rights Share, being S\$0.280
<b>“Rights Shares”</b>	: Up to 628,780,754 Shares <sup>2</sup> to be allotted and issued by the Company pursuant to the Rights Issue
<b>“SEC”</b>	: The office of the Securities and Exchange Commission of Thailand
<b>“Securities Account”</b>	: Securities account maintained by a Depositor with CDP but does not include a securities sub-account held with a Depository Agent
<b>“Securities Act”</b>	: United States Securities Act of 1933, as amended
<b>“SFA”</b>	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SFRS”</b>	: Singapore Financial Reporting Standards
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Registered holders of Shares in the Register of Shareholders, except where the registered holder is CDP, the term <b>Shareholders</b> shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts are credited with those Shares
<b>“Shares”</b>	: Ordinary shares with a par value of Baht 1 in the capital of the Company

<sup>1</sup> Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

<sup>2</sup> See note 1.

<b>“Share Transfer Agent”</b>	:	Boardroom Corporate Advisory & Services Pte. Ltd.
<b>“Soleado”</b>	:	Soleado Holdings Pte. Ltd., a wholly owned subsidiary of TTA
<b>“Soleado Initial Shares”</b>	:	170,590,470 Shares held directly by Soleado as at the date of the Irrevocable Undertaking
<b>“Special Resolution”</b>	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Shareholders duly convened under the provisions of the Articles of Association of the Company
<b>“Subsea Division”</b>	:	One of the two operating divisions of the Group that provides subsea engineering services
<b>“Substantial Shareholder”</b>	:	A person who has an interest in not less than 5.0% of the voting Shares of the Company
<b>“Thai” or “Thailand”</b>	:	The Kingdom of Thailand
<b>“Thai GAAP”</b>	:	Generally accepted accounting principles in Thailand
<b>“TTA”</b>	:	Thoresen Thai Agencies Public Company Limited, a controlling Shareholder of the Company
<b>“TTA Initial Shares”</b>	:	277,823,871 Shares held directly by TTA as at the date of the Irrevocable Undertaking
<b>“United States” or “U.S.”</b>	:	United States of America
<b>“U.S. GAAP”</b>	:	Generally accepted accounting principles in the United States
<b>“U.S. Shareholder”</b>	:	A Shareholder who is either located or resident in the United States or who is a U.S. person (as defined in Regulation S under the Securities Act)
<b>“VWAP”</b>	:	Volume weighted average price based on all trades in the Shares on the SGX-ST on the full Market Day on which the placement agreement or the subscription agreement, as the case may be, in relation to the Private Placement is signed
<b>Currencies and others</b>		
<b>“%”</b>	:	Percentage or per centum
<b>“Baht”</b>	:	Thai baht
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“US\$”</b>	:	U.S. dollars

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

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

- **Depositor, Depository Agent and Depository Register** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act; and
- **subsidiary** shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

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

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

## LETTER TO SHAREHOLDERS

### MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)  
(Registration Number 010755000017)

#### Directors

Prasert Bunsumpun (*Non-Executive Chairman*)  
Chalermchai Mahagitsiri (*Executive Vice Chairman*)  
M.L. Chandchutha Chandratat (*Executive Director*)  
Chia Wan Huat Joseph (*Non-Executive Director*)  
Surasak Khaoroptham (*Non-Executive Director*)  
Ng Cher Yan (*Independent Director*)  
Toh Wen Keong Joachim (*Independent Director*)  
Dr. Jean Paul Thevenin (*Independent Director*)

#### Registered Office

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

12 June 2013

To: The Shareholders of Mermaid Maritime Public Company Limited

Dear Sir/Madam

#### 1. INTRODUCTION

##### 1.1 Overview

The Directors are convening the EGM to be held at 10.00 a.m. (Bangkok time) on Thursday, 4 July 2013 to seek Shareholders' approval for the following:

- (a) the proposed adoption of the minutes of the annual general meeting of Shareholders No. 01/2013 held on 28 January 2013 (Resolution 1);
- (b) the proposed Reduction in Registered Capital from Baht 791,213,843 to Baht 787,055,943 by means of the cancellation of 4,157,900 Shares and the amendment to the Memorandum of Association (Resolution 2);
- (c) the proposed Increase in Registered Capital from Baht 787,055,943 to Baht 1,416,700,697 by means of the issuance of 629,644,754 Shares and the amendment to the Memorandum of Association (Resolution 3);
- (d) the proposed allocation of up to 628,780,754 Rights Shares from the Increase in Registered Capital for offering to Registered Shareholders under the Rights Issue (Resolution 4);
- (e) the proposed allotment of the Excess Rights Shares (Resolution 5);
- (f) the proposed allocation of such number of Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, to Placees pursuant to the Private Placement at the Placement Price (Resolution 6);
- (g) the proposed grant of authority to the Board, the Authorised Directors or other delegates of the Board in connection with the Equity Fund Raising (Resolution 7); and
- (h) the proposed allocation of up to 1,846,560 Shares from the Increase in Registered Capital for the Adjustment to the Options (Resolution 8).

Information in relation to Resolutions 1 to 8 is set out in the Notice of EGM as well as in this Circular.

**1.2 Resolution 2: The proposed Reduction in Registered Capital from Baht 791,213,843 to Baht 787,055,943 by means of the cancellation of 4,157,900 Shares and the amendment to the Memorandum of Association (Special Resolution)**

As at the Latest Practicable Date, the Registered Capital is Baht 791,213,843. Under the PLCA, in order for the Company to increase the Registered Capital for the allotment and issue of New Shares in connection with the Equity Fund Raising, the Company has to reduce the Registered Capital by cancelling 4,157,900 Shares that have remained unissued or unallocated under the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011 and to amend Clause 4 of the Memorandum of Association to state as follows:

“The registered capital is Baht 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) divided into 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) shares with a par value of Baht 1 each, categorised into 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) ordinary shares and –nil– preferred shares.”

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

**1.3 Resolution 3: The proposed Increase in Registered Capital from Baht 787,055,943 to Baht 1,416,700,697 by means of the issuance of 629,644,754 Shares and the amendment to the Memorandum of Association to revise the Registered Capital in respect of the same (Special Resolution)**

In connection with the Equity Fund Raising and the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011, the Company intends to increase the Registered Capital from Baht 787,055,943 to Baht 1,416,700,697 by means of the issuance of 629,644,754 Shares, and to amend Clause 4 of the Memorandum of Association to state as follows:

“The registered capital is Baht 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) divided into 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) shares with a par value of Baht 1 each, categorised into 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) ordinary shares and –nil– preferred shares.”

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

**1.4 Resolution 4: The proposed allocation of up to 628,780,754 Rights Shares from the Increase in Registered Capital for offering to Registered Shareholders under the Rights Issue (Ordinary Resolution)**

On 20 March 2013, the Company announced the Equity Fund Raising.

As at the Latest Practicable Date, TTA has direct and indirect interests in 448,414,341 Shares, representing approximately 57.1% of the total issued Shares.

To show its support for the Equity Fund Raising and to demonstrate its commitment to and confidence in the prospects of the Group, TTA has provided to the Company the Irrevocable Undertaking, pursuant to which it has irrevocably undertaken that:

- (a) as at the Rights Issue Books Closure Date, TTA will, directly or through one or more of TTA's wholly-owned subsidiaries, hold not less than the number of the Relevant Shares;
- (b) subject to any restrictions imposed by applicable law or the SGX-ST, TTA will, and will procure TTA's wholly-owned subsidiaries to, in respect of the Relevant Shares, vote in favour of Resolutions 2, 3, 4, 5, 6, 7 and 8;

- (c) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, TTA will, and will procure that TTA's wholly-owned subsidiaries will, subscribe and pay in full for all of the Rights Shares which TTA and TTA's wholly-owned subsidiaries are entitled by virtue of the Relevant Shares, to subscribe for under the Rights Issue, at the Rights Issue Price;
- (d) TTA will, and/or TTA's wholly-owned subsidiaries will, at the Company's request, provide evidence in a form satisfactory to the SGX-ST that TTA has the necessary financial resources to fulfil its obligations set out in (c) above;
- (e) TTA will procure that Soleado transfer such number of Shares to TTA or to one or more wholly-owned subsidiaries incorporated in Thailand such that the aggregate number of Shares held by TTA and other Thai shareholders shall be not less than 50.1% of the total enlarged issued share capital of the Company<sup>5</sup>:
  - (i) immediately after the listing of and quotation for the Rights Shares; and
  - (ii) immediately after the listing of and quotation for the Placement Shares, on the Main Board of the SGX-ST; and
- (f) unless required by applicable laws or regulations or by an order of a court of competent jurisdiction and save for any public statements or announcements agreed between TTA and the Company, TTA will not, and will procure that TTA's wholly-owned subsidiaries will not, during the period commencing from the date of the Irrevocable Undertaking up to and including the date of the listing of and quotation for the Rights Shares and the listing of and quotation for Placement Shares on the Main Board of the SGX-ST, make any public statement or announcement, regarding the Company, its subsidiaries or associated companies in connection with the Equity Fund Raising, without first obtaining the prior written consent of the Company (such consent not to be unreasonably withheld).

In-principle approval has been obtained from the SGX-ST on 28 May 2013 for the listing of and quotation for the New Shares on the Main Board of the SGX-ST. The in-principle approval of the SGX-ST is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) Shareholders' approval being obtained for the Rights Issue and the Private Placement;
- (iii) a written undertaking from the Company that it will comply with the Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and the Private Placement and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (iv) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares;
- (v) a written confirmation from a financial institution as required under Rule 877(9) of the Listing Manual that the Substantial Shareholder who has given the Irrevocable Undertaking (being TTA) has sufficient financial resources to fulfill its obligations under its undertakings;

<sup>5</sup> The Company is required to maintain at least 50.1% of the Company to be held by Thai Shareholders so that the Company will not be considered to be a "foreign entity" under the FBA.

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

- (vi) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual with regard to the proposed Private Placement;
- (vii) a written undertaking from the placement agent(s) (if one is appointed) that it will ensure that the Company will comply with Rule 803 of the Listing Manual;
- (viii) a written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual; and
- (ix) a written confirmation from the placement agent(s) (if one is appointed) that Placement Shares will not be placed to persons under Rule 812(1) of the Listing Manual.

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

Based on the number of Shares in issue as at the Latest Practicable Date, the Company intends to issue and allot up to 628,780,754 Rights Shares<sup>3</sup> at the Rights Issue Price, so as to raise gross proceeds of approximately S\$176.1 million.

(Please refer to Section 3 of this Circular and Appendix 2 to this Circular for further details on the Rights Issue.)

#### **1.5 Resolution 5: The proposed allotment of the Excess Rights Shares (Ordinary Resolution)**

In the allotment of the Excess Rights Shares, it is proposed that (i) preference be given to satisfy the applications for Excess Rights Shares by Registered Shareholders (not being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board) for the rounding of odd lots, and (ii) the remainder (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders (not being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board), and (iii) the remainder thereafter (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders (being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board).

In this regard, the details, terms and/or conditions of the allotment of the Excess Rights Shares shall be determined by the Board, Authorised Directors or other delegates of the Board as they or he may deem fit.

(Please refer to Section 4 and Appendix 2 to this Circular for further details on the proposed allotment of the Excess Rights Shares.)

#### **1.6 Resolution 6: The allocation of such number of Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, to Placees pursuant to the Private Placement at the Placement Price (Ordinary Resolution)**

Following the Rights Issue and allotment of Excess Rights Shares, it is proposed that such number of Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, be allocated to Placees pursuant to the Private Placement at the Placement Price. The Placement Price shall be such price as may be determined by the Company, which may be more than a 10.0% discount to the VWAP but which will in no event be lower than the Rights Issue

<sup>3</sup> Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.



**Price. Each Placée under the Private Placement would not be allocated more than 3.0% of the enlarged share capital of the Company immediately after the issue of Rights Shares subscribed for under the Rights Issue.**

In this regard, the details, terms and/or conditions of the Private Placement shall be determined by the Board, Authorised Directors or other delegates of the Board as they or he may deem fit. For the avoidance of doubt, the total number of New Shares to be issued and allotted under the Equity Fund Raising will not exceed 628,780,754 Shares. In addition, if the Rights Issue is fully subscribed, the Private Placement will not proceed.

(Please refer to Section 5 and Appendix 2 to this Circular for further details on the proposed Private Placement.)

**1.7 Resolution 7: The proposed grant of authority to the Board, the Authorised Directors or other delegates of the Board in connection with the Equity Fund Raising (Ordinary Resolution)**

In connection with the Equity Fund Raising, the Board proposes to seek approval from the Shareholders to authorise the Board, the Authorised Directors, or other delegates of the Board to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary in relation to the Equity Fund Raising.

**1.8 Resolution 8: The allocation of up to 1,846,560 Shares in relation to the Adjustments to the Options (Ordinary Resolution)**

In connection with the Equity Fund Raising and the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011, it is proposed that up to 1,846,560 Shares from the Increase in Registered Capital be allocated for the Adjustment to the Options.

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

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

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

- (a) all the shares have been completely sold and paid-up in full, or if the shares have not been completely sold, the remaining authorised shares shall be the shares authorised for the exercise of rights under convertible debentures or warrants to purchase shares;
- (b) a shareholders' meeting has passed a resolution by not less than three quarters of the total number of voting rights of the shareholders attending the meeting and having the right to vote; and
- (c) the said resolution has been submitted to the registrar for the registration of a change in the registered capital within fourteen days of the date on which the meeting passed the resolution.

**2.2** Based on the foregoing, in order for the Company to increase the Registered Capital for the allotment and issue of New Shares in connection with the Equity Fund Raising, the Company has to reduce the Registered Capital by cancelling 4,157,900 Shares that have remained unissued or unallocated under the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011 and to amend Clause 4 of the Memorandum of Association to state as follows:

The registered capital is Baht 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) divided into 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) shares with a par value of Baht 1 each, categorised into 787,055,943 (seven hundred and eighty seven million fifty five thousand nine hundred and forty three) ordinary shares and –nil– preferred shares.”

- 2.3 In addition, under the PLCA, in order for the Company to allot and issue the New Shares and the Shares to be issued under the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011, the Company has to increase the Registered Capital. As such, in connection with the Equity Fund Raising and the ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011, the Company intends to increase the Registered Capital from Baht 787,055,943 to Baht 1,416,700,697 by means of the issuance of 629,644,754 Shares and to amend Clause 4 of the Memorandum of Association to state as follows:

“The registered capital is Baht 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) divided into 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) shares with a par value of Baht 1 each, categorised into 1,416,700,697 (one billion four hundred and sixteen million seven hundred thousand six hundred and ninety seven) ordinary shares and –nil– preferred shares.”

### **3. DETAILS OF THE PROPOSED NON-RENOUCEABLE NON-UNDERWRITTEN RIGHTS ISSUE**

#### **3.1 Principal Terms of the Rights Issue**

Based on the issued share capital of the Company comprising 784,439,543 Shares as at the Latest Practicable Date, up to 628,780,754 Rights Shares<sup>4</sup> are proposed to be offered on a non-renounceable non-underwritten basis to the Registered Shareholders at the Rights Issue Price of S\$0.280 for each Rights Share, on the basis of four (4) Rights Shares for every five (5) existing Shares recorded in their names in the Register of Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

The Rights of CDP will be split and credited to the Securities Accounts of Entitled Depositors, on the basis of four (4) Rights Shares for every five (5) existing Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

The Rights Issue Price represents a discount of approximately 25.3% to the closing price of S\$0.375 per Share on 20 March 2013, being the full Market Day immediately preceding the announcement of the Rights Issue, and a discount of approximately 24.3% to the closing price of S\$0.370 per Share on the Latest Practicable Date.

The Rights Shares are payable in Singapore dollars in full upon acceptance and, if applicable, application. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

Registered Shareholders will be at liberty to accept in part or in full or decline their Rights and are eligible to apply for Excess Rights Shares. As the Rights Issue is on a non-renounceable basis, Registered Shareholders would not be able to renounce or, in the case of Entitled Depositors only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their Rights. The Company has decided to proceed with the Rights Issue on a non-renounceable basis having considered potential time and costs savings.

Fractional entitlements will be disregarded in arriving at the Rights of Registered Shareholders. Subject to the approval of the Shareholders, the Excess Rights Shares represented by such fractional entitlements and the Rights which are not accepted, taken up or allotted for any reason will be aggregated and used to satisfy applications for Excess Rights Shares, provided that in the allotment of the Excess Rights Shares, preference will be given to Registered Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority.

<sup>4</sup> Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

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

- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the New Shares on the Main Board of the SGX-ST not having been withdrawn or revoked on or prior to the completion of the Equity Fund Raising;
- (b) the approval of Shareholders for Resolutions 2, 3, 4, 5, 7 and 8 having been obtained at the EGM;
- (c) the acceptance of the registration of the increase in the Registered Capital further to the acceptance of the registration of the reduction in the Registered Capital by the MOC; and
- (d) the approval of the SEC for the Equity Fund Raising being granted and not having been withdrawn or revoked on or prior to the completion of the Equity Fund Raising.

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

Number of Rights Shares and the Rights Issue Price : Based on the issued share capital of the Company of 784,747,743 Shares as at the Latest Practicable Date, up to 628,780,754 Rights Shares<sup>5</sup> will be issued at the Rights Issue Price of S\$0.280 for each Rights Share.

Basis of Provisional Allotment : Registered Shareholders

The Rights Issue is made on a non-renounceable non-underwritten basis to Registered Shareholders on the basis of four (4) Rights Shares for every five (5) existing Shares held by the Registered Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

The Rights of CDP will be split and credited to the Securities Accounts of Entitled Depositors, on the basis of four (4) Rights Shares for every five (5) existing Shares standing to the credit of the Securities Accounts of the Entitled Depositors as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

Status of the Rights Shares : The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares (i.e. the Shares in issue on the day immediately prior to the date on which the Rights Shares are issued) save that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

Trading of Rights : **As the Rights Issue is to be made on a non-renounceable basis, the Rights will not be renounceable in favour of a third party or traded on the SGX-ST.**

<sup>5</sup> Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

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

The Rights Shares will be admitted to the Official List of the SGX-ST after all certificates relating thereto have been issued and the notification letters from CDP have been despatched. Each board lot of Rights Shares will consist of 1,000 Rights Shares.

Entitled Depositors can trade in odd lots of Shares on the SGX-ST's Unit Share Market.

Eligibility to participate in the Rights Issue : Please refer to Section 3.4 of this Circular.

Applications for Excess Rights Shares : Subject to the approval of the Shareholders, the Excess Rights Shares represented by the fractional entitlements and the Rights which are not accepted, taken up or allotted for any reason will be aggregated and used to satisfy applications for Excess Rights Shares, provided that in the allotment of the Excess Rights Shares, preference will be given to Registered Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.

Irrevocable Undertaking : Please refer to Section 3.2 of this Circular.

Underwriting : The Rights Issue will not be underwritten.

Governing Law : Laws of the Republic of Singapore.

Please refer to Appendix 2 to this Circular for a flowchart which sets out the allotment of Rights and Placement Shares under the Equity Fund Raising and Appendix 3 to this Circular for the indicative timetable.

### **3.2 Irrevocable Undertaking**

As at the Latest Practicable Date, TTA has direct and indirect interests in 448,414,341 Shares, representing approximately 57.1% of the total issued Shares.

To show its support for the Equity Fund Raising and to demonstrate its commitment to and confidence in the prospects of the Group, TTA has provided to the Company the Irrevocable Undertaking, pursuant to which it has irrevocably undertaken, that:

- (a) as at the Rights Issue Books Closure Date, TTA will, directly or through one or more of TTA's wholly-owned subsidiaries, hold not less than the number of the Relevant Shares;
- (b) subject to any restrictions imposed by applicable law or the SGX-ST, TTA will, and will procure TTA's wholly-owned subsidiaries to, in respect of the Relevant Shares, vote in favour of Resolutions 2, 3, 4, 5, 6, 7 and 8;
- (c) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, TTA will, and will procure that TTA's wholly-owned subsidiaries will, subscribe and pay in full for all of the Rights Shares which TTA and TTA's wholly-owned subsidiaries are entitled by virtue of the Relevant Shares, to subscribe for under the Rights Issue, at the Rights Issue Price;

- (d) TTA will, and/or TTA's wholly-owned subsidiaries will, at the Company's request, provide evidence in a form satisfactory to the SGX-ST that TTA has the necessary financial resources to fulfil its obligations set out in (c) above;
- (e) TTA will procure that Soleado transfer such number of Shares to TTA or to one or more wholly-owned subsidiaries incorporated in Thailand such that the aggregate number of Shares held by TTA and other Thai shareholders shall be not less than 50.1% of the total enlarged issued share capital of the Company<sup>6</sup>:
  - (i) immediately after the listing of and quotation for the Rights Shares; and
  - (ii) immediately after the listing of and quotation for the Placement Shares, on the Main Board of the SGX-ST; and
- (f) unless required by applicable laws or regulations or by an order of a court of competent jurisdiction and save for any public statements or announcements agreed between TTA and the Company, TTA will not, and will procure that TTA's wholly-owned subsidiaries will not, during the period commencing from the date of the Irrevocable Undertaking up to and including the date of the listing of and quotation for the Rights Shares and the listing of and quotation for Placement Shares on the Main Board of the SGX-ST, make any public statement or announcement, regarding the Company, its subsidiaries or associated companies in connection with the Equity Fund Raising, without first obtaining the prior written consent of the Company (such consent not to be unreasonably withheld).

TTA has obtained written confirmation from a financial institution that TTA has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking. Accordingly, based on the Irrevocable Undertaking, and taking into consideration the savings in cost by the Company in respect of underwriting fees, the Rights Issue will not be underwritten.

### 3.3 Rationale of the Rights Issue and Use of Proceeds

The Directors consider the Rights Issue to be beneficial to the Company and Shareholders in several ways:

- (a) further enhancing the Group's position as a leading provider of drilling and sub-sea engineering services for the offshore oil and gas industry; and
- (b) providing Registered Shareholders with the opportunity to pre-emptively subscribe for the Rights Shares.

The Equity Fund Raising is also part of the Company's strategy of prudent financial management as it seeks to strengthen the balance sheet of the Group by reducing debt and increasing the capital base. A stronger financial position will allow the Group to seize business growth opportunities in a timely manner (as and when such opportunities arise).

Assuming the Maximum Subscription Scenario, the estimated net proceeds of the Equity Fund Raising are expected to be approximately S\$175.6 million, after deducting estimated expenses of approximately S\$0.5 million incurred in connection therewith.

Assuming the Minimum Subscription Scenario, the estimated net proceeds of the Equity Fund Raising are expected to be approximately S\$99.9 million, after deducting estimated expenses of approximately S\$0.5 million incurred in connection therewith.

<sup>6</sup> The Company is required to maintain at least 50.1% of the Company to be held by Thai Shareholders so that the Company will not be considered to be a "foreign entity" under the FBA.

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

The Company intends to utilise the estimated net proceeds for the following:

	Maximum Subscription Scenario		Minimum Subscription Scenario	
	S\$ million	%	S\$ million	%
(a) Investment in drilling rigs and/or subsea vessels and related assets and/or investment in companies owning or otherwise having an interest in such assets	96.6 – 175.6	55.0 – 100.0	35.9 – 99.9	35.9 – 100.0
(b) Acquisitions of additional machinery, equipment and other tools and accessories, repayment of existing loans <sup>(1)</sup> and general corporate purposes including general working capital	0 – 79.0	0 – 45.0	0 – 64.0	0 – 64.1
<b>Total</b>	<b>175.6</b>	<b>100.0</b>	<b>99.9</b>	<b>100.0</b>

**Note:**

<sup>(1)</sup> The existing loans are in connection to the loan taken up by the Company to subscribe for an additional 6,756,225 shares in AOD for US\$33.8 million pursuant to a fund raising exercise by AOD in March 2013. Please refer to the announcement by the Company dated 12 March 2013 in relation to the Company's subscription of shares in AOD.

The Minimum Subscription Scenario will raise sufficient net proceeds for the Company's purposes.

The Company will make periodic announcements on the utilisation of the proceeds from the Equity Fund Raising as and when the funds from the Equity Fund Raising are materially disbursed, and provide status reports on the use of the same in annual reports. Further, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in announcements and annual reports.

Pending the deployment of the net proceeds from the Equity Fund Raising, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Group.

### 3.4 Eligibility of Shareholders to Participate in the Proposed Rights Issue

#### (a) Registered Shareholders

Subject to compliance with relevant securities laws, Registered Shareholders will be entitled to participate in the Rights Issue and to receive the ARE or the PAL, as the case may be, and its accompanying documents at their respective addresses. Registered Shareholders who do not receive the ARE or the PAL, as the case may be, within four Market Days from the Rights Issue Books Closure Date may obtain them from the Share Transfer Agent or CDP during the period up to the Closing Date.

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

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



### ***Entitled Depositors***

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

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

Entitled Depositors are at liberty to accept or decline their provisional allotments of the Rights Shares and are eligible to apply for Excess Rights Shares.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP. You are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 4 Shenton Way #02-01 SGX Centre 2, Singapore 068807, at least three Market Days before the Rights Issue Books Closure Date.

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

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

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

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

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



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

No person receiving a copy of this Circular, an ARE or a PAL, as the case may be, and/or a credit of Rights to a Securities Account in any territory other than Singapore may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such ARE or PAL, as the case may be, and/or credit of Rights to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such ARE or PAL, as the case may be, and/or credit of Rights to a Securities Account could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Circular, the ARE or PAL, as the case may be, must be treated as sent for information only and should not be copied or redistributed.

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

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

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

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

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

**(c) Eligibility of Shareholders Resident or Located in the United States and “U.S. Persons”**

Other than QIBs that comply with the procedures described in this Section, Shareholders located or resident in the United States as well as U.S. persons (as defined in Regulation S under the Securities Act) as at the Rights Issue Books Closure Date, or the date of acceptance of, subscription or payment for Rights Shares, and if applicable, application or payment for Excess Rights Shares, will not be permitted to receive any Rights, accept or subscribe for Rights Shares pursuant to the exercise of Rights, and if applicable, apply for Excess Rights Shares in the Rights Issue. Except with respect to such QIBs, application forms, letters of instruction or other documents received from addresses located in the United States or bearing a United States postmark or that request delivery of Rights Shares in the United States, or which do not certify that the recipient of the Rights Shares is not a U.S. person, will not be accepted.

The Rights and the Rights Shares are intended to be offered and sold only to a limited number of QIBs on a private placement basis. A U.S. Shareholder will receive a copy of the ARE or the PAL, as the case may be, and its accompanying documents and will be provisionally allotted Rights Shares only if he/it:

- is a QIB; and
- has returned in a timely manner and, in any case, before the specified time, a duly completed prescribed investor representation letter (which the Company has accepted), which will be despatched to such Shareholder by the Company, to and in accordance with the instructions of CDP or such Shareholder’s respective custodian, depository agent or broker.

In addition to the above procedure, U.S. Shareholders will also be required to follow the procedures described below in order to accept or subscribe for Rights Shares and apply for Excess Rights Shares. Acceptances of or subscriptions for Rights Shares and applications for Excess Rights Shares will only be accepted from such persons if such person:

- is a QIB; and
- has provided to the Company, the Share Transfer Agent or CDP, a signed investor representation letter (which the Company has accepted) in the prescribed form (as set forth above), together with a duly completed ARE and/or PAL, as the case may be.

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

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

In the allotment of the Excess Rights Shares, it is proposed that (i) preference be given to satisfy the applications for Excess Rights Shares by Registered Shareholders (not being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board) for the rounding of odd lots, and (ii) the remainder (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders (not being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board), and (iii) the remainder thereafter (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders (being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board).

In this regard, the details, terms and/or conditions of the allotment of the Remaining Excess Rights Shares shall be determined by the Board, Authorised Directors or other delegates of the Board as they or he may deem fit.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded in Singapore dollars to such Registered Shareholders without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, by means of a crossed cheque in Singapore dollars drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or, in the case of Entitled Scripholders, to their mailing address as set out in the Register of Shareholders. The Registered Shareholders shall bear all risks relating to fluctuations in foreign exchange rates.

Please refer to Appendix 2 to this Circular for a flowchart which sets out the allotment of Excess Rights Shares.

#### 5. DETAILS OF THE PRIVATE PLACEMENT

##### 5.1 Allocation of unsubscribed Excess Rights Shares

Following the Rights Issue and allotment of Excess Rights Shares, such number of the Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, will be allocated to Placees pursuant to a Private Placement in reliance of Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. The Placees would exclude (a) the Directors and Substantial Shareholders; (b) immediate family members of the Directors and Substantial Shareholders; (c) Substantial Shareholders, related companies, associated companies and sister companies of the Company's Substantial Shareholders; and (d) corporations in whose shares the Directors and Substantial Shareholders have an aggregate interest of at least 10.0%.

The Placement Price shall be determined by the Company, which may be more than a 10.0% discount to the VWAP, but which will in no event be lower than the Rights Issue Price.

**Each Placee under the Private Placement would not be allocated more than 3.0% of the enlarged share capital of the Company immediately after the issue of Rights Shares subscribed for under the Rights Issue.** Such limitation is in place to allow the Company to have a wider investor base and provide greater opportunity for investors to participate in the growth of the Company.

The Placement Shares will be listed after the Rights Shares have been listed, in the event the Private Placement cannot be completed before the Rights Shares are listed. To the extent the unsubscribed Excess Rights Shares are not allocated within 14 days from the commencement of the Private Placement, these Shares will not be issued and allotted, and the Company will make a separate additional listing application for such unsubscribed Excess Rights Shares at the appropriate time where required. In any event, pursuant to the relevant laws of Thailand, Shareholder approval for the resolution pertaining to the Private Placement will lapse and become ineffective one year after date of the EGM.

For the avoidance of doubt, the total number of New Shares to be issued and allotted under the Equity Fund Raising will not exceed 628,780,754 Shares. In addition, if the Rights Issue is fully subscribed, the Private Placement will not proceed.

## **5.2 Rationale of the Private Placement and the Placement Price**

The Directors consider the Private Placement of such number of Placement Shares which would be equivalent to the remaining unsubscribed Excess Rights Shares to be beneficial to the Company and Shareholders as it will help to enhance the success of the Rights Issue and the raising of the proceeds under the Maximum Subscription Scenario. In addition, the Private Placement will be more cost effective to the Company compared to undertaking a fully underwritten rights issue.

The Private Placement is not intended to be a “standalone” transaction but will only be undertaken in the event the Rights Issue is not fully subscribed. Registered Shareholders will have an opportunity to subscribe the Rights Shares pursuant to their entitlements and, if applicable, Excess Rights Shares prior to the Private Placement. Accordingly, such Shareholders would not be materially prejudiced by the issuance of Placement Shares, pursuant to the Private Placement, at the Placement Price which may be more than a 10.0% discount to VWAP.

## **5.3 Status of the Placement Shares**

The Placement Shares will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares (i.e. the Shares in issue on the day immediately prior to the date on which the Placement Shares are issued) save that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Placement Shares.

## **5.4 Placement Agent**

The Company will only consider undertaking the Placement Private if the Rights Issue is not fully subscribed. At this juncture, it is not clear if the Company will proceed with the Private Placement.

In the event there are unsubscribed Excess Rights Shares after the Rights Issue, and no placement agent is appointed, it is likely that the Company will procure Placees amongst its contacts which may include business associates and institutional investors, excluding any of the persons set out as restricted persons under Rule 812(1) of the Listing Manual (other than one that fulfils the criteria set out in Rule 812(3) of the Listing Manual.) As such, at this juncture, the Company has not commenced sourcing for Placees.

Depending on the amount of unsubscribed Excess Rights Shares remaining, the Company may decide to leave such shares unissued if the number of unsubscribed shares remaining is too small, as it may not be cost efficient to carry out the Private Placement.

Should the Company decide to proceed with the Private Placement and not appoint a placement agent, it will make an appropriate announcement in relation to the details required under Rule 810(2) of the Listing Manual, including details such as the identities of the Placees and the number of Placement Shares placed to each of them, details on how the Placees were identified and the rationale for placing to them and the restrictions and/or directions imposed on the placement agent by the Company regarding the identities of and/or the allocation of the Placees, where the placement agent is appointed but is subject to any restrictions and directions imposed by the Company.

## 6. FINANCIAL EFFECTS OF THE EQUITY FUND RAISING

The financial effects of the Equity Fund Raising on the audited financial statements of the Company and the Group for FY2012 and the unaudited financial statements of the Company and the Group for 1H2013 are set out below for the purposes of illustration.

The analyses below have been prepared based on the Maximum Subscription Scenario and the Rights Shares being issued at the Rights Issue Price of S\$0.280 per Rights Share, and the Placement Shares are issued at an assumed Placement Price of S\$0.280 per Placement Share, so as to raise net proceeds of up to approximately S\$175.6 million. It is solely for illustrative purposes only and does not purport to be indicative or a projection of the financial results and financial positions of the Company and the Group after the completion of the Equity Fund Raising.

### (a) Issued Shares

The effect of the Equity Fund Raising on the issued Shares is set out below:

	No. of Shares	Baht
Issued Shares as at 30 September 2012	784,747,743	784,747,743
Add: Shares to be issued pursuant to the ESOP 2008 and ESOP 2009	1,228,200	1,228,200
Add : New Shares to be issued <sup>(1)</sup>	628,780,754	628,780,754
Enlarged issued Shares after the Equity Fund Raising	<u>1,414,756,697</u>	<u>1,414,756,697</u>
Issued Shares as at 31 March 2013	784,747,743	784,747,743
Add: Shares to be issued pursuant to the ESOP 2008 and ESOP 2009	1,228,200	1,228,200
Add : New Shares to be issued <sup>(1)</sup>	628,780,754	628,780,754
Enlarged issued Shares after the Equity Fund Raising	<u>1,414,756,697</u>	<u>1,414,756,697</u>

#### Note:

- (1) Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

### (b) NTA

The financial effect of the Equity Fund Raising on the NTA and the NTA per Share of the Company and the Group is set out below:

(Baht in millions)	As at 30 September 2012		As at 31 March 2013	
	Company	Group	Company	Group
NTA	11,609	11,958	11,425	11,738
Add : Net proceeds from the Equity Fund Raising <sup>(1)(2)</sup>	4,229	4,229	4,229	4,229
Adjusted NTA after the Equity Fund Raising	<u>15,838</u>	<u>16,188</u>	<u>15,654</u>	<u>15,967</u>
NTA per Share (Baht)	14.79	15.24	14.56	14.96
Adjusted NTA per Share after the Equity Fund Raising(Baht) <sup>(2)</sup>	11.19	11.44	11.06	11.29

#### Notes:

- (1) Based on net proceeds of approximately S\$175.6 million and exchange rate of Baht 24.00 : S\$1.00.
- (2) Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

### (c) Earnings

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

The effect of the Equity Fund Raising on the net profit attributable to equity holders of the Company and the EPS of the Group is as follows:

	FY2012 Group	1H2013 Group
Net profit / (loss) attributable to equity holders of the Company (Baht in millions)	71	(104)
Number of Shares in issue before the Equity Fund Raising ('000)	784,748	784,748
EPS before the Equity Fund Raising (Baht)	0.09	(0.13)
Number of Shares in issue after the Equity Fund Raising ('000) <sup>(1)</sup>	1,414,757	1,414,757
EPS per Share after the Equity Fund Raising (Baht)	0.05	(0.07)

**Note:**

- (1) Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.

### (d) Gearing

The gearing of the Company and the Group, before and after the proposed Equity Fund Raising, based on the audited financial statements for FY2012 of the Company and the Group and the unaudited financial statements for 1H2013 is set out below:

(Baht in millions)	← As at 30 September 2012 →				← As at 31 March 2013 →			
	Company		Group		Company		Group	
	Before Equity Fund Raising	After Equity Fund Raising	Before Equity Fund Raising	After Equity Fund Raising	Before Equity Fund Raising	After Equity Fund Raising	Before Equity Fund Raising	After Equity Fund Raising
Total Borrowings <sup>(1)</sup>	1	1	4,078	4,078	1,029	1,029	5,080	5,080
Shareholders' Funds	11,610	15,839 <sup>(2)(3)</sup>	12,304	16,533 <sup>(2)(3)</sup>	11,426	15,655 <sup>(2)(3)</sup>	12,079	16,308 <sup>(2)(3)</sup>
Gearing (times)	neg <sup>(4)</sup>	neg <sup>(4)</sup>	0.33	0.25	0.09	0.07	0.42	0.31

**Notes:**

- (1) Includes loans and financial lease liabilities.
- (2) Based on net proceeds of approximately S\$175.6 million and exchange rate of Baht 24.00 : S\$1.00.
- (3) Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date in accordance with the current indicative timeline.
- (4) Negligible as less than 0.01.



## 7. OPERATING AND FINANCIAL REVIEW

The consolidated financial statements of the Group have been prepared in accordance with Thai GAAP, with the adoption of certain accounting policies based on IFRS. The SGX-ST has granted a waiver in respect of Rule 220(1) of the Listing Manual that would have otherwise required the future periodic reports of the Group to be prepared in accordance with SFRS, IFRS or U.S. GAAP.

### 7.1 Financial Results

The consolidated profit and loss statement of the Group for the last three FYs, 1H2012, and 1H2013 is set out below:

(Baht '000)	AUDITED			UNAUDITED <sup>7</sup>	
	FY2010	FY2011	FY2012	1H2012	1H2013
Service income	3,476,365	5,542,823	5,714,142	2,146,965	3,012,557
Cost of services	(3,245,194)	(4,788,639)	(4,511,570)	(1,925,087)	(2,789,024)
<b>Gross profits</b>	<b>231,171</b>	<b>754,184</b>	<b>1,202,572</b>	<b>221,878</b>	<b>223,533</b>
Service and administrative expenses	(556,453)	(718,957)	(787,351)	(364,119)	(361,079)
Interest income	6,499	6,613	11,312	4,268	2,857
Gains (losses) on exchange rates	(79,926)	21,208	56,379	65,289	155,608
Net gains (losses) on disposal and write off of property, plant, and equipment and intangible assets	11,802	(8,805)	(2,340)	257	(12,438)
Net gains on disposal of investments in subsidiaries and associates	170,657	–	–	–	–
Other income	29,201	335,200	18,326	9,065	6,024
Impairment losses of property, plant, and equipment and deposits	–	(203,736)	–	–	–
<b>Operating profits (losses)</b>	<b>(187,049)</b>	<b>185,707</b>	<b>498,898</b>	<b>(63,362)</b>	<b>14,505</b>
Share of profits (losses) of investments in associates	19,779	(41,773)	(9,663)	(4,887)	(32,865)
Share of losses of investment in jointly-controlled operations	–	–	–	–	(5,016)
<b>Profits (losses) before finance costs and income tax expenses</b>	<b>(167,270)</b>	<b>143,934</b>	<b>489,235</b>	<b>(68,249)</b>	<b>(23,376)</b>
Finance costs	(95,890)	(228,916)	(284,897)	(92,615)	(61,434)
<b>Profits (losses) before income tax expenses</b>	<b>(263,160)</b>	<b>(84,982)</b>	<b>204,338</b>	<b>(160,864)</b>	<b>(84,810)</b>
Income tax expenses	(193,324)	(76,371)	(118,316)	(34,655)	(24,404)
<b>Net profits (losses) for the year/period</b>	<b>(456,484)</b>	<b>(161,353)</b>	<b>86,022</b>	<b>(195,519)</b>	<b>(109,214)</b>
<b>Attributable to:</b>					
Owners of the Company	(456,078)	(167,347)	71,487	(202,709)	(103,591)
Non-controlling interests	(406)	5,994	14,535	7,190	(5,623)
<b>Earnings (losses) per share</b>					
Basic and diluted earnings (losses) per share (in Baht)	(0.61)	(0.21)	0.09	(0.26)	(0.13)

<sup>7</sup> A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not provide assurance that all significant markets are identified as in an audit. Please refer to the interim financial statements for the relevant periods on [www.sgx.com](http://www.sgx.com) for further information.



A review of the operations, business, and financial performance of the Group for the last three FYs, 1H2012, and 1H2013 is set out below:

### **FY2010 compared to FY2011**

Total service income increased 59.5% from Baht 3,476 million in FY2010 to Baht 5,543 million in FY2011. This increase was driven solely by the Subsea Division, as the Drilling Division reported lower service income.

- Subsea Division

The service income from the Subsea Division improved mainly due to the following reasons: (i) an increase in asset utilisation from 39.5% in FY2010 to 67.3% in FY2011, (ii) an increase in average day rates and (iii) the size of the fleet increased with the addition of a newly built vessel. Service expenses increased as a result of the higher average utilisation rate.

- Drilling Division

The service income from the Drilling Division decreased mainly due to a decline in asset utilisation from 56.7% in FY2010 to 48.0% in FY2011. Correspondingly, service expenses decreased due to the lower utilisation rate.

Gross profits increased 226.4% from Baht 231 million in FY2010 to Baht 754 million in FY2011. This was mainly due to a significant increase in service income derived from the Subsea Division. The gross profit margin improved from 6.7% in FY2010 to 13.6% in FY2011, as the Company negotiated better terms and conditions on its service contracts.

Operating profits increased 199.5% from losses of Baht 187 million for FY2010 to profits of Baht 186 million in FY2011. This was mainly due to (i) higher gross profits and (ii) an increase in other income from early termination of a foreign exchange contract and from management fees received from an associated company of Baht 158 million mainly due to gains.

Net losses decreased 64.7% from losses of Baht 456 million for FY2010 to losses of Baht 161 million in FY2011. This was mainly due to better margins on Subsea Division contracts.

### **FY2011 compared to FY2012**

Total service income increased 3.1% from Baht 5,543 million in FY2011 to Baht 5,714 million in FY2012. The increase in service income was due to improvement in both the Subsea and Drilling Divisions.

- Subsea Division

The service income from the Subsea Division increased due to an increase in asset utilisation from 67.3% in FY2011 to 68.6% in FY2012. Service expenses decreased as a result of better vessel and project cost management, and depreciation also decreased due to revisions of estimated useful lives for some vessel components to be in line with the current use of assets.

- Drilling Division

The service income from the Drilling Division increased as utilisation rates improved from 48.0% in FY2011 to 64.6% in FY2012. Service expenses decreased, as one of the rigs was deployed as an accommodation work barge.

Gross profits increased 59.5% from Baht 754 million in FY2011 to Baht 1,203 million in FY2012. This was mainly due to more efficient vessel and project cost management. The gross profit margin improved from 13.6% in FY2011 to 21.0% in FY2012, due to better cost management in both the Subsea and Drilling Divisions.

Operating profits increased 168.3% from Baht 186 million in FY2011 to Baht 499 million in FY2012. This was mainly due to higher gross profits due to better management of costs.

Net profits increased 153.4% from losses of Baht 161 million in FY2011 to profits of Baht 86 million in FY2012. This was mainly due to a significant increase in operating profits.

### **1H2012 compared to 1H2013**

Total service income increased 40.3% from Baht 2,147 million in 1H2012 to Baht 3,013 million in 1H2013, driven solely by the Subsea Division, as the Drilling Division reported lower service income.

- Subsea Division

The service income from the Subsea Division increased mainly due to (i) an increase in average day rates in 1H2013, as more vessels provided full subsea services and (ii) the start of a new diving services contract in 1H2013. Service expenses increased as a result of increase of services income.

- Drilling Division

The service income from the Drilling Division decreased as one of the rigs entered its special periodic survey in 1H2013. Even though asset utilisation rates improved from 42% in 1H2012 to 59% in 1H2013, one of the rigs earns a significantly lower day rate as an accommodation work barge.

Gross profits increased 0.9% from Baht 222 million for 1H2012 to Baht 224 million for 1H2013. The major reasons included (i) the operating expenses of one of the rigs continued at its normal rate during its special periodic survey ("**SPS**"), and (ii) significant vessel mobilisation expenses for contracts in the Middle East and China.

Operating profits increased 123.8% from losses of Baht 63 million for 1H2012 to profits of Baht 15 million in 1H2013 mainly due to unrealised gains on foreign exchange rates of Baht 156 million.

Net losses decreased 44.4% from losses of Baht 196 million in 1H2012 to losses of Baht 109 million in 1H2013, as administrative, interest, and income tax expenses fell coupled with higher unrealised exchange rate gains.

## 7.2 Cash Flows

The Group's cash flow position for the last three FYs, 1H2012, and 1H2013 is set out below:

(Baht '000)	AUDITED			UNAUDITED <sup>8</sup>	
	FY2010	FY2011	FY2012	1H2012	1H2013
<b>Cash flows from operating activities</b>					
Profits (losses) for the year/period	(456,484)	(161,353)	86,022	(195,519)	(109,214)
Adjustments for:					
Depreciation	704,088	1,007,040	873,537	436,019	436,194
Amortisation	14,177	9,132	8,947	4,217	28,695
Finance costs	95,890	228,916	284,897	92,615	61,434
Share-based payment	–	–	366	–	–
Losses from supplies and spare parts obsolescence	–	–	721	–	–
Net (gains) losses on disposals and write off of property, plant, and equipment and intangible assets	(11,802)	8,805	2,340	(257)	12,438
Impairment losses of property, plant, and equipment and deposits	–	203,736	–	–	–
Gains on disposals of investments in subsidiaries	(170,657)	–	–	–	–
Realised (gains) losses on exchange rates	86,133	(51,257)	(46,713)	(39,018)	(13,334)
Unrealised (gains) losses on exchange rates	(6,207)	30,049	(9,666)	(26,271)	(142,274)
Provision (reversal) of bad and doubtful accounts receivable	–	15,815	94,103	–	–
Losses from write-off of outstanding withholding taxes	–	–	16,598	–	–
Employee benefit obligations	78,425	56,076	4,806	15,522	12,920
Share of (profits) losses of investments in associates	(19,779)	41,773	9,663	4,887	32,865
Share of losses of investment in jointly-controlled operations	–	–	–	–	5,016
Losses from write-off of withholding taxes	–	–	–	10,449	–
Exchange rates (gains) losses from translation of overseas subsidiaries	(125,385)	30,288	(35,991)	(51,894)	(80,143)
Income tax expenses	193,324	76,371	118,316	34,655	24,404
	381,723	1,495,391	1,407,946	285,405	269,001
<i>Changes in operating assets and liabilities</i>					
Restricted deposits at financial institutions	–	(330,594)	204,228	12,942	(6)
Trade accounts receivable	732,850	(1,040,226)	68,961	930,161	(108,556)
Receivables from related parties	1,931	(1,640)	–	33	–
Other accounts receivable	–	(67,387)	(159,231)	(58,636)	(47,099)
Deferred contract costs	–	–	(277,459)	–	(58,967)
Supplies and spare parts	(25,605)	619	(28,952)	527	12,464
Other current assets	(252,464)	63,759	(40,261)	(18,077)	(33,012)
Deferred expenses	20,037	18,414	2,916	–	–
Other non-current assets	9,242	19,467	16,380	13,396	2,628
Trade accounts payable - others	(331,989)	84,078	157,537	(40,681)	65,753
Trade accounts payable - related parties	(2,757)	8,285	622	–	–
Other accounts payable	215,059	8,263	(40,302)	(13,696)	(13,920)
Payables to related parties	72	(87)	12,362	9,578	(4,991)
Accrued expenses	61,148	113,414	70,595	(82,586)	86,321
Other current liabilities	(30,152)	6,102	(1,380)	(10,079)	(3,966)
	397,372	(1,117,533)	(13,984)	742,882	(103,351)

<sup>8</sup> A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not provide assurance that all significant markets are identified as in an audit. Please refer to the interim financial statements for the relevant periods on [www.sgx.com](http://www.sgx.com) for further information.

(Baht '000)	AUDITED			UNAUDITED	
	FY2010	FY2011	FY2012	1H2012	1H2013
Cash generated from operations	779,095	377,858	1,393,962	1,028,287	165,650
Finance costs paid	(93,169)	(230,830)	(281,117)	(90,842)	(56,851)
Income taxes paid	(110,643)	(73,337)	(81,881)	(28,396)	(25,646)
Employee benefits paid	(121,572)	(67,417)	(56,331)	(56,464)	–
<b>Net cash inflows from operating activities</b>	<b>453,711</b>	<b>6,274</b>	<b>974,633</b>	<b>852,585</b>	<b>83,153</b>
<b>Cash flows from investing activities</b>					
Payment for investment in jointly-controlled operation	–	–	–	–	(6,611)
Payment for short-term investments	(1,307,063)	(602,403)	–	–	–
Proceeds from short-term investments	993,595	1,208,728	–	–	–
Proceeds from disposal of investment in subsidiaries	2,135,050	–	–	–	–
Proceeds from disposal of investments in associates	743,781	–	–	–	–
Payments for investments in subsidiaries and associates	(492,348)	(1,903,814)	(57,084)	–	(995,567)
Proceeds from disposals of property, plant, and equipment and intangible assets	80,392	32,753	2,593	1,996	153,041
Purchases of property, plant, and equipment	(6,014,617)	(255,468)	(466,692)	(147,113)	(647,693)
Purchases of intangible assets	(13,623)	(8,736)	(7,167)	(4,571)	(1,017)
<b>Net cash outflows from investing activities</b>	<b>(3,874,833)</b>	<b>(1,528,940)</b>	<b>(528,350)</b>	<b>(149,688)</b>	<b>(1,497,847)</b>
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institution	–	–	–	–	1,037,896
Repayments of finance lease liabilities	(2,879)	(3,252)	(2,305)	(1,234)	(953)
Proceeds from long-term loans from financial institutions	2,824,193	1,973,502	1,405,751	1,405,751	289,345
Repayments of long-term loans from financial institutions	(509,088)	(2,431,869)	(1,247,647)	(1,157,157)	(87,630)
Net proceeds from issuance of ordinary shares	243,543	–	–	–	–
Dividends paid to shareholders	–	(455,154)	–	–	(21,502)
Proceeds from share capital from minority interests	–	1,247	–	–	–
Proceeds from share premium	3,347,629	–	–	–	–
<b>Net cash inflows (outflows) from financing activities</b>	<b>5,903,398</b>	<b>(915,526)</b>	<b>155,799</b>	<b>247,360</b>	<b>1,217,156</b>
Net increase (decrease) in cash and cash equivalents	2,482,276	(2,438,192)	602,082	950,257	(197,538)
Cash and cash equivalents at beginning of the year/period	1,450,525	3,742,938	1,352,380	1,352,380	1,916,973
Effects of exchange rates	(189,863)	47,634	(37,489)	(5,394)	(63,894)
<b>Cash and cash equivalents at the end of the year/period</b>	<b>3,742,938</b>	<b>1,352,380</b>	<b>1,916,973</b>	<b>2,297,243</b>	<b>1,655,541</b>

\* For the purposes of comparison, the Group's cash flow statement for FY2010, FY2011 and FY2012 was changed from "Profit and (losses) before income tax expenses" to "Profit and (losses) after income tax expenses"

A review of the cash flow position of the Group for the FY2012, 1H2012, and 1H2013 is set out below:

### **FY2012**

The Group had net cash inflows from operating activities of Baht 975 million, mainly due to higher operating profits, which were offset by outflows from working capital changes of Baht 14 million, interest paid of Baht 281 million, income taxes paid of Baht 82 million, and employee benefits of Baht 56 million.

The Group had net cash used in investing activities of Baht 528 million. This was mainly due to (i) purchases of property, plant, and equipment in relation to dry-docking of one of the rigs, equipment relating to a new diving services contract and a saturation diving system, and (ii) payments for investments in 20% equity in Seascope Surveys.

The Group had net cash inflows from financing activities of Baht 156 million. This was mainly due to receipt of proceeds from long-term loans from financial institutions of Baht 1,406 million, offset by repayments of long-term loans from financial institutions of Baht 1,248 million.

### **1H2012**

The Group had net cash inflows from operating activities of Baht 853 million. This was mainly due to improvements in both performance and working capital management, offset by interest paid of Baht 91 million, income taxes paid of Baht 28 million, and employee benefits paid of Baht 56 million.

The Group had net cash used in investing activities of Baht 150 million. This was mainly due to purchases of property, plant, and equipment of Baht 147 million in relation to a special periodic survey of one of the rigs and vessel dry docking, offset by proceeds from disposals of property, plant, and equipment of Baht 2 million.

The Group had net cash inflows from financing activities of Baht 247 million. This was mainly due to loan refinancing.

### **1H2013**

The Company had net cash inflows from operating activities of Baht 83.2 million compared to net cash inflows from operating activities of Baht 853 million for the corresponding period last year. The decrease is due to the outstanding accounts receivables of Baht 483.2 million and no cash flows from one of the rigs, interest paid of Baht 57 million, and income taxes paid of Baht 25 million.

The Company had net cash used in investing activities of Baht 1,498 million. This was mainly due to (i) the investment in an associate company and (ii) the purchases of fixed assets, which comprised of vessel dry-docking, vessel refitting cost and diving equipment for a diving services contract and cost of the SPS for one of the rigs, offset by proceeds from disposals of property, plant, and equipment from the sale of remotely operated vehicles.

The Company had net cash inflows from financing activities of Baht 1,217 million. This was mainly due to (i) a short-term loan from financial institution and (ii) a loan from financial institution of Baht 192 million, offset by loan repayments of Baht 88 million.

### 7.3 Balance Sheet

A summary of the Group's balance sheet at the end of each of the last three FYs, 1H2012, and 1H2013 is set out below:

(Baht '000)	AUDITED As at 30 September			UNAUDITED <sup>9</sup> As at 31 March	
	2010	2011	2012	2012	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3,742,938	1,352,380	1,916,973	2,297,243	1,655,541
Restricted deposits at financial institutions	–	206,484	–	191,388	–
Short-term investments	606,325	–	–	–	–
Trade accounts receivable - others, net	616,492	1,661,898	1,521,248	753,804	1,613,764
Receivables from related parties	22	–	–	–	–
Other accounts receivable	–	104,307	262,512	162,911	306,765
Deferred contract costs	–	–	277,459	–	299,675
Supplies and spare parts	138,545	137,926	166,157	137,399	153,693
Other current assets	128,348	32,527	51,874	51,607	97,835
<b>Total current assets</b>	<b>5,232,670</b>	<b>3,495,522</b>	<b>4,196,223</b>	<b>3,594,352</b>	<b>4,127,273</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	–	124,110	122,777	122,797	116,695
Investments in associates	–	1,862,041	1,852,378	1,857,154	2,815,080
Investments in jointly-controlled operation	–	–	–	–	1,595
Property, plant, and equipment	11,985,255	11,122,394	10,718,929	10,843,820	10,794,989
Goodwill	332,279	332,279	332,279	332,279	332,279
Intangible assets	16,925	16,206	13,031	15,165	8,998
Deferred tax assets	113,240	99,437	85,694	93,770	76,423
Deferred expenses	47,789	29,375	–	27,697	–
Other non-current assets	111,143	22,739	6,800	9,345	4,172
<b>Total non-current assets</b>	<b>12,606,631</b>	<b>13,608,581</b>	<b>13,131,888</b>	<b>13,302,027</b>	<b>14,150,231</b>
<b>Total assets</b>	<b>17,839,301</b>	<b>17,104,103</b>	<b>17,328,111</b>	<b>16,896,379</b>	<b>18,277,504</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institution	–	–	–	–	1,028,239
Trade accounts payable - others	116,507	187,311	327,302	143,476	367,558
Trade accounts payable - related parties	7,201	–	–	2,028	1,614
Other accounts payable	69,729	57,110	14,077	39,805	37,150
Payables to related parties	101	12,530	24,892	22,107	19,900
Current portion of long-term loans from financial institutions	695,643	556,747	205,852	178,370	413,470
Current portion of finance lease liabilities	868	1,744	1,501	1,385	1,095
Current portion of share subscription payables to subsidiaries	–	–	33,823	–	32,278
Income taxes payable	26,824	19,684	35,484	31,843	39,878
Accrued expenses	178,109	279,906	354,984	195,368	440,240
Current portion of employee benefit obligations	66,151	61,031	–	16,128	–
Other current liabilities	41,147	50,482	44,711	42,214	36,773
<b>Total current liabilities</b>	<b>1,202,280</b>	<b>1,226,545</b>	<b>1,042,626</b>	<b>672,724</b>	<b>2,418,195</b>

<sup>9</sup> A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not provide assurance that all significant markets are identified as in an audit. Please refer to the interim financial statements for the relevant periods on [www.sgx.com](http://www.sgx.com) for further information.

(Baht '000)	AUDITED As at 30 September			UNAUDITED As at 31 March	
	2010	2011	2012	2012	2013
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	3,624,772	3,409,963	3,840,478	3,989,429	3,635,059
Finance lease liabilities	3,413	3,277	1,089	2,301	2,052
Long-term portion of share subscription payable	–	–	42,207	–	40,137
Employee benefit obligations	27,047	22,703	30,669	25,685	42,009
<b>Total non-current liabilities</b>	<b>3,655,232</b>	<b>3,435,943</b>	<b>3,914,443</b>	<b>4,017,415</b>	<b>3,719,257</b>
<b>Total liabilities</b>	<b>4,857,512</b>	<b>4,662,488</b>	<b>4,957,069</b>	<b>4,690,139</b>	<b>6,137,452</b>
<b>Equity</b>					
Share capital					
- Authorised share capital	790,607	791,214	791,214	791,214	791,214
- Issued and paid-up share capital	784,748	784,748	784,748	784,748	784,748
Premium on share capital	9,818,420	9,818,420	9,818,420	9,818,420	9,818,420
Retained earnings					
- Appropriated - legal reserve	39,717	78,475	78,475	78,475	78,475
- Unappropriated	2,519,918	1,858,659	1,930,146	1,655,950	1,805,053
Other components of equity	(270,702)	(197,695)	(308,081)	(235,993)	(407,808)
Equity attributable to owners of the Company	12,892,101	12,342,607	12,303,708	12,101,600	12,078,888
Non-controlling interests	89,688	99,008	67,334	104,640	61,164
<b>Total equity</b>	<b>12,981,789</b>	<b>12,441,615</b>	<b>12,371,042</b>	<b>12,206,240</b>	<b>12,140,052</b>
<b>Total liabilities and equity</b>	<b>17,839,301</b>	<b>17,104,103</b>	<b>17,328,111</b>	<b>16,896,379</b>	<b>18,277,504</b>

\* The Group's balance sheet at the end of FY2012 was audited by PWC, and reclassification of some accounts was performed by KPMG.

A review of the financial position of the Group for the last three FYs, 1H2012, and 1H2013 is set out below:

### 30 September 2010 compared to 30 September 2011

Current assets decreased 33.2% from Baht 5,233 million in FY2010 to Baht 3,496 million in FY2011, mainly due to a decrease in (i) cash and cash equivalents of Baht 2,391 million, and (ii) a redemption of short-term investment of Baht 606 million. This was offset by an increase in trade accounts receivable - others of Baht 1,046 million due to a significant increase in services income in the last quarter of FY2011.

Non-current assets increased 7.9% from Baht 12,607 million in FY2010 to Baht 13,609 million in FY2011, mainly due to an increase in (i) investments in associates of Baht 1,862 million, and (ii) restricted deposits of Baht 124 million as pledge against long-term loans with a local financial institution. This was offset by a decrease in (i) property, plant, and equipment of Baht 863 million due to depreciation charges and the impairment of one of the rigs in FY2011, and (ii) other non-current assets of Baht 88 million due to a write off of deposits in relation to the building of a new vessel.

Current liabilities increased 2.1% from Baht 1,202 million in FY2010 to Baht 1,227 million in FY2011, mainly due to an increase in (i) trade accounts payable of Baht 70 million as a result of more services rendered, and (ii) accrued expenses of Baht 102 million, mainly due to accrued subcontractor (project crew) expenses. This was offset by a decrease in the current portion of long-term loans from financial institutions of Baht 139 million due to a change in the loan repayment schedule of refinanced loans.



Non-current liabilities decreased 6.0% from Baht 3,655 million in FY2010 to Baht 3,436 million in FY2011, mainly due to a decrease in long-term loans from financial institutions.

Shareholders' funds decreased 4.2% from Baht 12,982 million in FY2010 to Baht 12,442 million in FY2011, mainly due to the reduction in retained earnings from dividends paid to shareholders and net losses sustained in FY2011.

### **30 September 2011 compared to 30 September 2012**

Current assets increased 20.0% from Baht 3,496 million in FY2011 to Baht 4,196 million in FY2012 mainly due to an increase in (i) cash and cash equivalents of Baht 565 million, and (ii) deferred contract costs of Baht 277 million, which was in relation to a new diving services contract.

Non-current assets decreased 3.5% from Baht 13,609 million in FY2011 to Baht 13,132 million in FY2012, mainly due to a decrease in (i) property, plant, and equipment of Baht 403 million, (ii) deferred tax assets of Baht 13 million, and (iii) other non-current assets of Baht 16 million. The net decrease in property, plant, and equipment was mainly due to depreciation charges of Baht 874 million, offset against equipment purchased of Baht 467 million in FY2012.

Current liabilities decreased 15.0% from Baht 1,227 million in FY2011 to Baht 1,043 million in FY2012, mainly due to a decrease in (i) the current portion of long-term loans from financial institutions of Baht 351 million, and (ii) other accounts payable of Baht 43 million due to the payment of a long outstanding balance in FY2012. This was offset by an increase in (i) trade accounts payable of Baht 140 million due to an increase in the operating activities of the Subsea Division, and (ii) accrued expenses of Baht 75 million, due to one of the rigs returning to operation, a larger accrued performance bonus for the Drilling Division as a result of improved performance, and an accrued tax penalty in relation to Seascope Survey Indonesia, a subsidiary, in FY2012.

Non-current liabilities increased 13.9% from Baht 3,436 million in FY2011 to Baht 3,914 million in FY2012, mainly due to a new additional loan.

Shareholders' funds decreased 0.6% from Baht 12,442 million in FY2011 to Baht 12,371 million in FY2012, mainly due to additional investments in Seascope Surveys Pte. Ltd. and Seascope Surveys (Thailand) Ltd.

### **31 March 2012 compared to 31 March 2013**

Current assets increased 14.8% from Baht 3,594 million in 1H2012 to Baht 4,127 million in 1H2013, mainly due to an increase in (i) an increase of trade accounts receivable of Baht 860 million as a result of higher service income in 1H2013, (ii) an increase deferred costs of Baht 300 million, and (iii) an increase in other accounts receivable of Baht 144 million as a result of work started in 1Q2013 for a new diving services contract.

Non-current assets increased 6.4% from Baht 13,302 million in 1H2012 to Baht 14,150 million in 1H2013, mainly due to an increase in investments in associates of Baht 958 million. This was offset by decreases in (i) property, plant, and equipment of Baht 49 million and (ii) deferred expenses of Baht 28 million. The net decrease in property, plant, and equipment was due to depreciation charges.

Current liabilities increased 259.3% from Baht 673 million in 1H2012 to Baht 2,418 million in 1H2013, mainly due to an increase in (i) short-term borrowings from financial institutions of Baht 1,028 million, (ii) trade accounts payable of Baht 224 million due to more subsea services in 1H2013, (iii) accrued expenses of Baht 245 million due to work under a new diving services contract, and (iv) the current portion of long-term loans from financial institutions of Baht 235 million.

Non-current liabilities decreased 7.4% from Baht 4,017 million in 1H2012 to Baht 3,719 million in 1H2013, mainly due to a decrease in long-term loans as a result of (i) the strengthening Baht applied to US\$ loans and (ii) a reclassification of certain long-term loans to current liabilities. This was offset by an increase in the long-term portion of share subscription payables to subsidiaries of Baht 40 million in relation to additional investments in Seascope Surveys Pte. Ltd. and Seascope Surveys (Thailand) Ltd.

Shareholders' funds decreased 0.5%, from Baht 12,206 million in 1H2012 to Baht 12,140 million in 1H2013, mainly due to net losses recorded for the period.

#### 7.4 Working Capital

The working capital of the Group as at the end of the last three FYs, 1H2012, and 1H2013 is set out below:

(Baht '000)	AUDITED As at 30 September			UNAUDITED <sup>10</sup> As at 31 March	
	2010	2011	2012	2012	2013
Total current assets	5,232,670	3,495,522	4,196,223	3,594,352	4,127,273
Total current liabilities	1,202,280	1,226,545	1,042,626	672,724	2,418,195
Working capital	4,030,390	2,268,977	3,153,597	2,921,628	1,709,078

##### FY2010 compared to FY2011

Working capital decreased 43.7% from Baht 4,030 million in FY2010 to Baht 2,269 million in FY2011 due to a decrease in current assets of Baht 1,737 million and an increase in current liabilities of Baht 25 million.

Current assets decreased mainly due to (i) a decrease in cash and cash equivalents of Baht 2,391 million as a result of cash used for investment in an associate company, (ii) redemption of short-term investments of Baht 606 million (fixed cash deposit), and (iii) an increase in account receivables of Baht 1,046 million.

Current liabilities increased mainly due to an increase in (i) trade accounts payable of Baht 70 million, and (ii) accrued expenses of Baht 102 million, both as a result of more services. This was offset by a decrease in the current portion of long-term loans from financial institutions of Baht 139 million due to a change in the loan repayment schedule of refinanced loans.

##### FY2011 compared to FY2012

Working capital increased 39.0% from Baht 2,269 million in FY2011 to Baht 3,154 million in FY2012 due to an increase in current assets of Baht 700 million and a decrease in current liabilities of Baht 185 million.

Current assets increased mainly due to an increase in (i) cash and cash equivalents of Baht 565 million, which was a result of higher net cash inflows from operating activities, offset by the purchase of equipment, and (ii) deferred contract costs of Baht 277 million, which was in relation to a new diving services contract.

Current liabilities decreased mainly due to a decrease in (i) the current portion of long-term loans from financial institutions of Baht 351 million and (ii) other accounts payable of Baht 43 million due to the payment of a long outstanding balance in FY2012. This was offset by an increase in (i) trade accounts payable of Baht 140 million due to an increase in operating activities of the Subsea Division, and (ii) accrued expenses of Baht 75 million due to one of the rigs returning to operation, and (iii) more accrued performance bonuses for the Drilling Division and accrued tax penalties in relation to Seascope Surveys Indonesia, a subsidiary, in FY2012.

<sup>10</sup> A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not provide assurance that all significant markets are identified as in an audit. Please refer to the interim financial statements for the relevant periods on [www.sgx.com](http://www.sgx.com) for further information.

## **1H2012 compared to 1H2013**

Working capital decreased 41.5% from Baht 2,922 million in 1H2012 to Baht 1,709 million in 1H2013 due to an increase in current assets of Baht 533 million and an increase in current liabilities of Baht 1,746 million.

Current assets increased mainly due to (i) an increase of trade accounts receivable of Baht 860 million as a result of higher service income in 1H2013, (ii) an increase of deferred costs of Baht 300 million, and (iii) an increase in other accounts receivable of Baht 144 million as a result of work started in 1Q2013 for a new diving services contract.

Current liabilities increased mainly due to (i) short-term borrowings from financial institutions of Baht 1,028 million, (ii) trade accounts payable of Baht 224 million due to more subsea services in 1H2013, (iii) accrued expenses of Baht 245 million, and (iv) the current portion of long-term loans from financial institutions of Baht 235 million.

## **8. ADEQUACY OF WORKING CAPITAL**

As at the Latest Practicable Date, the Directors are of the reasonable opinion that, after taking into account the Group's internal resources, operating cashflow and expected Net Proceeds from the Equity Fund Raising based on the Minimum Subscription Scenario, and barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet the Group's present funding requirements.

## **9. RIGHTS ISSUE BOOKS CLOSURE DATE**

Subject to Shareholders' approval of the Equity Fund Raising at the EGM and the SEC's approval for the Equity Fund Raising, the Rights Issue Books Closure Date for the purpose of determining the entitlements of Shareholders under the Rights Issue will be announced at a later date as the Directors may determine.

## **10. DIRECTORS' RECOMMENDATIONS**

### **10.1 Proposed Reduction and Increase in Registered Capital**

The Directors recommend that the Shareholders vote in favour of Resolutions 2 and 3 in relation to the Reduction in Registered Capital and the Increase in Registered Capital respectively in order for the Company to undertake the Equity Fund Raising.

### **10.2 Proposed allocation of up to 628,780,754 Rights Shares from the Increase In Registered Capital for offering to Registered Shareholders under the Rights Issue**

The Directors are of the opinion, for the reasons set out in Section 3.3 of this Circular, that the Rights Issue is in the best interests of the Company and accordingly, recommend that the Shareholders vote in favour of Resolution 4 in relation to the Rights Issue at the EGM.

### **10.3 Proposed allotment of the Excess Rights Shares**

The Directors are of the opinion, for the reasons set out in Section 4 of this Circular, that the proposed allotment of the Excess Rights Shares is in the best interests of the Company and accordingly, recommend that the Shareholders vote in favour of Resolution 5 in relation to the proposed allotment of the Excess Rights Shares.

### **10.4 Proposed allocation of such number of Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, to Placees pursuant to the Private Placement at the Placement Price**

The Directors are of the opinion, for the reasons set out in Sections 5.1 and 5.2 of this Circular that the proposed allocation of such number of Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, to Placees pursuant to the Private Placement at the Placement is in the best interests of the Company and accordingly, recommend that the Shareholders vote in favour of Resolution 6.

**10.5 Proposed grant of authority to the Board, the Authorised Directors or other delegates of the Board in connection with the Equity Fund Raising**

The Directors recommend that the Shareholders vote in favour of Resolution 7 to authorise the Board, the Authorised Directors, or other delegates of the Board to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary in relation to the Equity Fund Raising.

**10.6 Proposed allocation of Shares in relation to the Adjustments to the Options**

The Directors recommend that the Shareholders vote in favour of Resolution 8 to authorise the allocation of Shares in relation to the Adjustments to the Options.

**11. EXTRAORDINARY GENERAL MEETING**

The EGM will be held at 10.00 a.m. (Bangkok time) on Thursday, 4 July 2013 at Arabian Sea Room, No. 26/14, 5<sup>th</sup> Floor, Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

**12. ACTION TO BE TAKEN BY SHAREHOLDERS**

**12.1 Appointment of proxies for Registered Shareholders**

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

**12.2 Shareholders who are Depositors**

Shareholders who are Depositors cannot vote at the EGM. Such Shareholders who wish to exercise their voting rights in respect of their Shares would be required to complete, sign and return the voting instructions form attached to this Circular in accordance with its printed instructions as soon as possible and, in any event so as to arrive at CDP by 5.00 p.m. on 26 June 2013. CDP will collate all voting instructions received, and will appoint a proxy to attend the EGM and vote pursuant to your instructions.

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

Please refer to “Guidelines for Shareholder Participation in the Extraordinary General Meeting No. 01/2013” for further information.

**13. DIRECTORS’ RESPONSIBILITY STATEMENT**

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

**14. STATEMENT BY HL BANK**

HL Bank, as the Manager of the Rights Issue, confirms that, to the best of its knowledge and belief, the information about the Rights Issue in this Circular constitutes full and true disclosure of all material facts relating to the Rights Issue, the Company and its subsidiaries, and that it is not aware of any facts the omission of which would render any statement about the Rights Issue contained in this Circular misleading.

**15. CONSENTS**

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

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of each of the following documents are available for inspection at the Company's registered office at 26/28-29, Orakarn Building, 9<sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the in-principle approval by SGX-ST in relation to the listing of and quotation for the New Shares on the Official List of the SGX-ST granted on 28 May 2013;
- (c) the letter of consent referred to in Section 15 above;
- (d) the Irrevocable Undertaking; and
- (e) the Company's financial statements for the year ended 30 September 2012.

**17. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in Appendix 1, Appendix 2 and Appendix 3 to this Circular.

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

Prasert Bunsumpun

Non-Executive Chairman

## APPENDIX 1

### ADDITIONAL INFORMATION

#### INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in issued Shares as recorded in the Register of Directors' and Substantial Shareholders' Shareholdings, respectively, as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>						
Prasert Bunsumpun	–	–	–	–	–	–
Chalermchai Mahagitsiri <sup>(1)</sup>	–	–	448,414,341	57.1	448,414,341	57.1
M.L. Chandchutha Chandratat	477,000	0.0608	–	–	477,000	0.0608
Chia Wan Huat Joseph	–	–	–	–	–	–
Surasak Khaoroptham	–	–	–	–	–	–
Ng Cher Yan	–	–	–	–	–	–
Toh Wen Keong Joachim	–	–	–	–	–	–
Jean Paul Thevenin	–	–	–	–	–	–
<b>Substantial Shareholders</b>						
TTA <sup>(2)</sup>	277,823,871	35.4	170,590,470	21.7	448,414,341	57.1
Soleado	170,590,470	21.7	–	–	170,590,470	21.7
Thailand Equity Fund <sup>(3)(4)(5)(6)</sup>	118,285,229	15.1	–	–	118,285,229	15.1

**Notes:**

- (1) Mr. Chalermchai Mahagitsiri and his associates collectively have a 23.35% direct interest in TTA. Mr. Chalermchai Mahagitsiri therefore has a deemed interest in the 448,414,341 Shares held in aggregate by TTA and Soleado in the Company.
- (2) TTA is deemed to be interested in the 170,590,470 Shares held by Soleado by virtue of the fact that Soleado is its wholly-owned subsidiary.
- (3) Lombard Thailand Intermediate Fund LLC is deemed to be interested in the 118,285,229 Shares held by Thailand Equity Fund as it has a direct interest in more than 50.0% of the units in Thailand Equity Fund.
- (4) Lombard Thailand Partners LLP is deemed to be interested in the 118,285,229 Shares held by Thailand Equity Fund as it has a direct interest of more than 50.0% in Lombard Thailand Intermediate Fund LLC.
- (5) California Public Employees Retirement System is deemed to be interested in the 118,285,229 Shares held by Thailand Equity Fund as it has a 99.0% interest in Lombard Thailand Partners LLP.
- (6) International Finance Corporation is deemed to be interested in the 118,285,229 Shares held by Thailand Equity Fund as it has a direct interest of 20.0% in Lombard Thailand Intermediate Fund LLC.

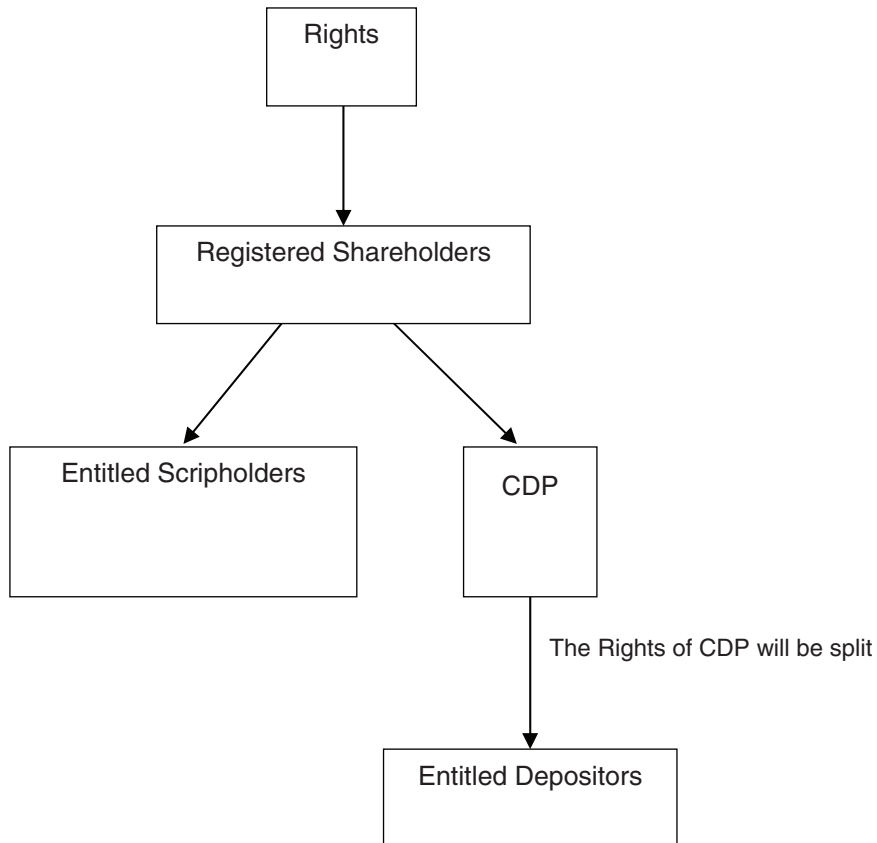
As at the Latest Practicable Date, none of the Directors have interests in issued Shares comprised in outstanding Options.

## APPENDIX 2

### FLOW CHARTS ILLUSTRATING THE PROVISIONAL ALLOTMENT OF NEW SHARES

#### Provisional Allotment of the Rights Shares under the Rights Issue

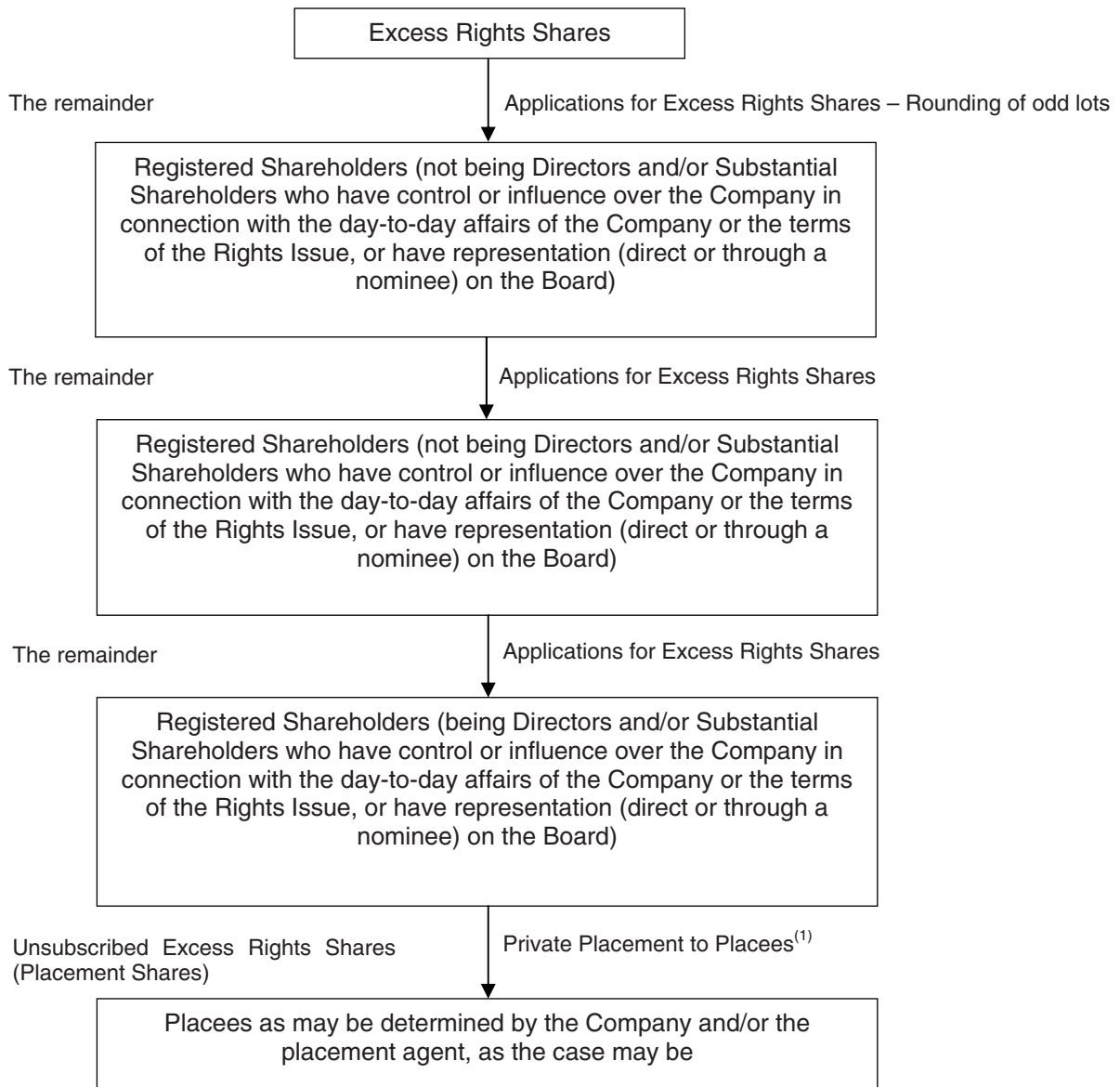
Subject to the approval of Shareholders for Resolution 2, 3, 4, 5, 7 and 8 in relation to the Rights Issue at the EGM and the SEC's approval for the Rights Issue, the provisional allotment of the Rights Shares under the Rights Issue is intended to be as follows:





## Allotment of the Excess Rights Shares and Placement Shares

Subject to the approval of the Shareholders for Resolutions 2, 3, 4, 5, 6, 7 and 8 at the EGM and the SEC's approval for the Equity Fund Raising, the allotment of the Excess Rights Shares (and the Placement Shares) under the Equity Fund Raising is intended to be as follows:



**Note:**

- (1) Each Placee under the Private Placement would not be allocated more than 3.0% of the enlarged share capital of the Company immediately after the issue of Rights Shares subscribed for under the Rights Issue.

## APPENDIX 3

### INDICATIVE TIMETABLE FOR THE EQUITY FUND RAISING

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

Announce notice of EGM and despatch of Circular	:	12 June 2013, Wednesday
Extraordinary General Meeting	:	4 July 2013, Thursday
Expected date of approval from the SEC	:	18 July 2013, Thursday
Announce Rights Issue Books Closure Date <sup>(1)</sup>	:	18 July 2013, Thursday
Shares trade ex-Rights	:	24 July 2013, Wednesday from 9.00 a.m.
Rights Issue Books Closure Date	:	26 July 2013, Friday at 5.00 p.m.
Despatch of the instruction booklet issued by the Company in connection with the Rights Issue as well as the ARE and/or PAL to Registered Shareholders	:	31 July 2013, Wednesday
Last date and time for acceptance of and payment for Rights Shares	:	12 August 2013, Monday at 5.00 p.m. (9.30 p.m. for electronic applications)
Last date and time for application of and payment for Excess Rights Shares	:	12 August 2013, Monday at 5.00 p.m. (9.30 p.m. for electronic applications)
Commence Private Placement <sup>(2)</sup> / Transfer of Shares from Soleado to TTA (if required)	:	16 August 2013, Friday
Expected date for issuance of New Shares <sup>(3)</sup>	:	27 August 2013, Tuesday
Expected date for commencement of trading of New Shares	:	28 August 2013, Wednesday

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

**Notes:**

- (1) Announcement of Rights Issue Books Closure Date is conditional upon receipt of approval from SEC.
- (2) The final level of acceptance is expected to be provided by 14 August 2013, based on the indicative timetable. Following one day of internal discussion / arrangements, the Private Placement will commence on 16 August 2013, if required.
- (3) Under the relevant Thai law, a public company is required to register the increase of paid-up capital with the MOC within 14 days from the date on which all offered shares, i.e. the New Shares in this case, were paid up. The expected date of issuance of New Shares is conditional upon the completion of the registration with the MOC, which is assumed to take up to 14 days.