



# MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 010755000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

## DISPOSAL OF BARGES

### 1. INTRODUCTION

Mermaid Maritime Public Company Limited ("**Mermaid**" and/or "**Company**") wishes to announce that its indirect majority-owned subsidiaries, MTR-1 (Singapore) Pte. Ltd. and MTR-2 Ltd. (collectively referred to as the "**Sellers**") had on 30 May 2018 signed the Protocol of Delivery and Acceptance ("**PODAs**") with Star Matrix Ltd. (the "**Buyer**"), in connection with the sale by the Sellers of one barge ("**MTR-1**") and one tender assist drilling rig ("**MTR-2**") (collectively referred to as the "**Barges**") to the Buyer, in accordance with the terms and conditions of the PODAs (the "**Disposal**").

### 2. DETAILS OF THE DISPOSAL

The salient terms of the Disposal are as follows:

- (i) the consideration for the Disposal for the Barges shall be US\$3.8 million ("**Consideration**") payable on completion of the Disposal and will be satisfied in cash. The Consideration was arrived at negotiations between Mermaid and the Buyers, on a "willing buyer willing seller" basis, and taking into account, *inter alia*, the net asset value of the Barges (as further described in paragraph 3.2 below) and the Barges' specifications and age;
- (ii) as security for the fulfillment of the PODAs, the Buyers has placed a deposit of 20 percent of the Consideration into the Sellers' bank account; and
- (iii) the cancelling date for the delivery of the Barges to the Buyers is 10 June 2018 (unless extended by mutual agreement).

The completion of the Disposal has taken place on 30 May 2018.



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

### 3. INFORMATION ON THE BARGES

#### 3.1 Details of the Barges

The MTR-1 is ABS classed and registered under the flag of Singapore. It was built in 1978 and upgraded in 1998 and has a water depth rating of 100 meters on conventional mooring and 680 meters on pre-laid mooring and accommodation for 112 personnel. The MTR-1 is ideal for accommodation and work over services in South East Asia and West Africa.

The MTR-2 is ABS classed and registered under the flag of Thailand. It was built in 1981 and upgraded in 2007 and has a water depth rating of 100 meters on conventional mooring and 680 meters on pre-laid mooring, a drilling depth rating of 5,500 meters and accommodation for 126 personnel. The MTR-2 is ideal for drilling and light weight platforms in South East Asia and West Africa.

#### 3.2 Asset Value of the Barges

As at 31 March 2018, based on the latest announced audited consolidated financial statements of Mermaid for the three months ended 31 March 2018 (“**3M2018**”) (“**Mermaid 3M2018 Results**”), the book value and net tangible asset value of the Barges was approximately US\$3.8 million.

### 4. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

#### 4.1 Rationale

The Board of Directors of the Company had taken the strategic review on the disposal of the old Barges, which are more than 35 years of age and beyond the operating useful life, with a view to maximizing value for the benefit of the Company’s stakeholders and to best position the Company for the challenges and opportunities facing the oil & gas industry.

To date, the strategic review has been undertaken in the context of managing the Company’s cost saving challenges while at the same time formulating a plan for a turnaround of the Company’s remaining businesses.



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 010755000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

The disposal of the Barges forms part of the Company's cost saving exercise included as part of the strategic review. The Barges are currently cold-stacked; however, the disposal will not significantly impact the operations of the Company's business.

### 4.2 Use of Proceeds

The Barges are currently not mortgaged to any financial institutions. The net proceeds arising from the Disposal ("**Net Proceeds**") (after taking into account the deduction of the estimated transaction costs relating to the Disposal) will amount to approximately US\$3.7 million. The transaction costs include a commission of two percent of the Consideration payable to the broker appointed by Mermaid to procure purchasers for the Barges.

It is expected that the Net Proceeds will be made available for Mermaid's working capital.

## 5. PRO FORMA FINANCIAL EFFECTS OF THE DISPOSAL

### 5.1 Assumptions

The pro forma financial effects of the Disposal on the net tangible assets ("**NTA**") per share and the earnings per share of Mermaid and the share capital of Mermaid as set out below are prepared purely for illustration only and do not reflect the actual future financial situation of Mermaid after the Disposal. The pro forma financial effects have been prepared based on:

- (i) the latest announced audited consolidated financial statements of Mermaid for the financial year ended 31 December 2017 ("**FY2017**"), such financial year being the most recently completed financial year; and
- (ii) the Mermaid 3M2018 Results.

### 5.2 NTA – FY2017

Purely for illustrative purposes only and assuming that the Disposal had been completed on 31 December 2017, being the end of FY2017, the effect on the NTA per share of Mermaid as at 31 December 2017 is as follows:



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

	<b>Before the Proposed</b>	<b>After the Proposed</b>
NTA (US\$'000)	339,996	341,720
NTA per share (US\$)	0.24	0.24

### 5.3 NTA – 3M2018

Purely for illustrative purposes only and assuming that the Disposal had been completed on 31 March 2018, being the end of 3M2018, the effect on the NTA per share of Mermaid as at 31 March 2018 is as follows:

	<b>Before the Proposed</b>	<b>After the Proposed</b>
NTA (US\$'000)	333,847	333,771
NTA per share (US\$)	0.24	0.24

### 5.4 Earnings per share – FY2017

Purely for illustrative purposes only and assuming that the Disposal had been completed on 1 January 2017, being the beginning of FY2017, the effect on the earnings per share of Mermaid for FY2017 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Profit attributable to the Shareholders (US\$'000)	4,217	5,941
Number of ordinary shares outstanding (US\$'000)	1,413,329	1,413,329
Earnings per share (US cents)	0.30	0.42

### 5.5 Losses per share – 3M2018

Purely for illustrative purposes only and assuming that the Disposal had been completed on 1 January 2018, being the beginning of FY2018, the effect on the earnings per share of Mermaid for 3M2018 is as follows:



# MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Loss attributable to the Shareholders (US\$'000)	(6,202)	(6,278)
Number of ordinary shares outstanding (US\$'000)	1,413,329	1,413,329
Losses per share (US cents)	(0.44)	(0.44)

## 5.6 Share Capital

The Disposal will not have any impact on the issued share capital of Mermaid.

## 6. CHAPTER 10 OF THE LISTING MANUAL

### 6.1 Rule 1006 Relative Figures for the Disposal

The relative figures for the Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual of the SGX-ST ("**Listing Manual**") are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Barges as compared with Mermaid's net asset value	1.13
(b)	Net profit attributable to the Barges compared with Mermaid's net loss	-
(c)	The consideration received compared with the market capitalization of Mermaid	2.59

### 6.2 Rule 1008

Rule 1008 (1) of the Listing Manual states, *inter alia*, unless Rule 703, 905 or 1009 applies, no announcement of the transaction is required if all of the relative figures computed on the bases set out in Rule 1006 amount to 5% or less. As the relative figures for the Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual is less than 5%, the Disposal is classified as a "Non-Discloseable



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 010755000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.  
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

Transaction” for the purposes of Chapter 10 of the Listing Manual.

However, the Company wishes to announce the transaction and the announcement includes (a) details of the consideration as required in Rule 1010(3); and (b) the value of assets acquired or disposed of as required in Rule 1010(5).

### 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests in the shares of Mermaid (if any), none of the Directors or controlling shareholders of Mermaid has any interest, direct or indirect, in the Disposal.

### 8. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a director of Mermaid in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between Mermaid and any such person in connection with the Disposal.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the PODAs are available for inspection during normal business hours at the registered office of the Company at 26/28-29 Orakarn Building 9<sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand for a period of three months commencing from the date of this Announcement:

Please be informed accordingly.

Wuthichai Chongcharoenrungsrot  
Company Secretary  
30 May 2018