



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th 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

MERMAID ANNOUNCEMENT – PURCHASE OF 50% [FIFTY PERCENT] OWNERSHIP INTEREST IN “MILLENNIUM 3” VESSEL

1. INTRODUCTION

Mermaid Purchases Interest in M.V. "Millennium 3", a DP2 Construction Support Vessel.

Mermaid Maritime Public Company Limited ("Mermaid" or the "Company") wishes to announce that its wholly owned subsidiary Mermaid Subsea Services (Thailand) Ltd., ("MSST" or the "Buyer") has entered into a Memorandum of Agreement ("MoA") with PT David Marine INC. ("Seller") for the purchase ("Purchase") of a fifty percent (50%) ownership share in the M.V. "Millennium 3" ("Vessel"). This acquisition will allow Mermaid to secure long term access to this asset as part of its sub-sea growth strategy, and expand the scope of its core services, whilst complementing existing services.

2. INFORMATION CONCERNING THE VESSEL

The M.V. "Millennium 3" is a DP2 construction support vessel. The Vessel was built in 2011 in Indonesia by Nantong Dongjiang Shipyard Co. Ltd., and is currently operating in the Persian Gulf. The M.V. "Millennium 3" is classified by B.V. ("Bureau Veritas") and is flagged under the state of Comoros, with Moroni listed as its port of registration. The Vessel has a 300-ton crane and accommodation berths for 239 (two hundred and thirty-nine) personnel.

3. INFORMATION ON THE BUYER [MSST] AND THE SELLER [PT DAVID MARINE INC.]

PT David Marine Inc. is the current registered owner of the M.V. "Millennium 3", and is domiciled in St. Vincent and the Grenadines. The company is affiliated with Mubarak Marine LLC ("Mubarak") a company incorporated and existing pursuant to the laws of the UAE. Mubarak Marine LLC and MSST are both providers of subsea engineering throughout the region. MSST already has an extensive track record in the Persian Gulf providing subsea cable lay services, as well as "Remotely Operation Vehicles" ("ROV") and sub-sea diving services for contracts related to Inspection Repair and Maintenance ("IRM"); Call-Out and construction contracts. MSST currently owns and operates two (02) Dive Support Vessels ("DSVs") as well as an ROV support vessel, in the Persian Gulf, and regularly charters sub-sea vessels to complete additional projects in both the Persian Gulf the gulf of Thailand and elsewhere in South East Asia.



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4. RATIONALE FOR THE PURCHASE

MSST considers that purchasing an interest in the M.V. "Millennium 3" will increase the ability of MSST to pursue opportunities related to subsea cable-lay worksopes in the Persian Gulf region and other subsea related project works. The M.V. "Millennium 3" has as an established track record within the Persian Gulf, and the purchase of this interest will allow MSST much more extensive access to the vessel.

The Seller will retain a fifty percent (50%) ownership interest in the Vessel, and, by collaborating with PT David Marine in terms of managing the Vessel, MSST will also gain the advantage of an experienced vessel manager and owner in terms of maintaining and operating the vessel. All these are expected to contribute to greater efficiency and returns.

5. CONSIDERATION

The total consideration for the Purchase is USD 16,000,000.00 (Sixteen Million United States Dollars). The consideration was arrived based on negotiations on a willing-buyer willing-seller basis with regard to current market conditions and potential future utilization of the vessel; and is on that basis within fair market value as assessed by MSST. Three external valuations were sought from independent values experienced in assessing assets of this nature prior to finalizing negotiations, and these valuations were re-verified within the week ending the 01st of October 2021. The consideration will be funded by debt and working capital reserves.

6. CONDITIONS PRECEDENT

The Purchase is conditional upon the Buyer and the Seller entering into an agreement to establish a Joint Venture Company, as well as ancillary agreements to handle operating costs, management issues banking and financial transactions and capital expenditure in relation to the vessel subject to terms and conditions to be mutually agreed.

7. PROFORMA FINANCIAL EFFECTS OF THE PURCHASE

7.1 The pro forma financial effects of the acquisition 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 acquisition.



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The pro forma financial effects have been prepared based on the latest announced audited consolidated financial statements of Mermaid for the financial year ended 31st of December 2020 ("FY2020"), such financial year being the most recently completed financial year.

7.2 NET TANGIBLE ASSETS - FY2020

Purely for illustrative purposes only and assuming that the Acquisition had been completed on the 31st of December 2020, being the end of FY2020, the effect on the NTA per share of Mermaid as at 31st of December 2020 is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit/loss attributable to the Shareholders (US\$'000)	(109,654)	(109,654)
Number of ordinary shares outstanding (US\$'000)	1,413,329	1,413,329
Earnings (losses) per share (US cents)	(0.0776)	(0.0776)

7.3 SHARE CAPITAL

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

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Rule 1006 Relative Figures for the Acquisition

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



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Rule 1006	Bases	Relative Figures
(a)	Rule 1006 (a) is not applicable to the transaction.	Rule 1006 (a) is not applicable to the transaction.
(b)	Net profit attributable to the Vessel - compared with Mermaid's net loss	---
(c)	The consideration received compared with the market capitalization of Mermaid is >5%, but is in accordance with the ordinary course of business.	20.22

9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

10. DOCUMENTS FOR INSPECTION

A copy of the Memorandum of Agreement may be inspected at the registered office of Mermaid at 26/28-29, Orakarn Building 09th Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand during normal business hours for a period of three (03) months from the date of this announcement.

Please be informed accordingly.

James Frawley
Contract Manager
12 October 2021