

MERMAID MARITIME PUBLIC COMPANY LIMITED









(Consolidated numbers)

| | Year E | Year Ended 31 December | | |
|--|--------------------------|------------------------|-----------------|--|
| | 2019 | 2020 | 2021 | |
| (in thousa | nd US Dollars, except sh | are, per share da | ta, and ratios) | |
| Revenue from rendering of services | 105,933 | 83,779 | 111,592 | |
| EBITDA* | (1,467) | (11,761) | (294) | |
| Net profits (losses) | (24,216) | (109,594) | (15,671) | |
| Normalised profit/(losses)** | (19,860) | (29,842) | (16,929) | |
| Book value per share | 0.20 | 0.13 | 0.11 | |
| Return on shareholders' equity (%) | (8.05) | (47.21) | (9.27) | |
| Net profits (losses) margin (%) | (22.86) | (130.81) | (14.04) | |
| Total debt to total capitalisation (times) | 0.16 | 0.25 | 0.24 | |
| Net gearing (%) | 3.5 | 0.7 | 20.4 | |

* EBITDA excludes non-recurring non-cash items (impairment losses and loss on disposal of investment in an associate)
** Net profits (losses) excludes non-recurring items









PRASERT BUNSUMPUN CHAIRMAN OF THE BOARD



DEAR VALUED SHAREHOLDERS,

I am honored to present to you our 2021 Annual Report. This year, as you may once again recognize, was, globally, a very challenging year due to the continuing impact of the COVID-19 pandemic. However, as opposed to the volatility of the oil and gas prices experienced globally in 2020, the steady oil price rise in 2021 offers us a silver lining and our expectation is that this fundamentally bodes well for the Group going forward.

Nonetheless, 2021 has yet again demonstrated Mermaid's resilience in the face of adversity. Guided by our good governance, we are still a leading international specialist for marine and subsea engineering services with a view to business expansion and strong partnership management.

HOLDING THE FORT

2021 has been another difficult year for Mermaid: but the just rewards for the hard fought platform laid down this year places us in a very strong position to benefit from the global uptick going forward. Oil prices have increased over the past year as a result of steady draws on global oil inventories and high GDP growth. Brent crude oil spot prices averaged \$71 per barrel in 2021, and have risen to more than \$93/b as at early February 2022. As per EIA, Brent prices will remain high, averaging \$75/b throughout 2022. Furthermore, the market for specialist subsea vessels tightened in 2021 and with the increase in the total number of global projects underway - or soon to be underway - in both renewables and traditional Oil and Gas, the active specialist subsea vessel fleet will be gainfully deployed. This will support both utilization and a further "soaking up" of third party tonnage. These factors are expected to contribute to an increase in vessel day rates going forward.

The most important factor continues to be the COVID-19 pandemic. It has materially impacted the market with commensuarate slowdown in business growth and further disruptions to the global economy. Global growth was reported at 5.9% (five point nine percent) in 2021 and is expected to moderate further to 4.4% (four point four percent) in 2022, reflecting the forecast markdowns in the world's two largest economies (the USA and the PRC).

In a continuation of the situation experienced in 2020, the additional costs incurred in order to maintain a COVID-19 safe work environment whilst maintaining operations throughout the pandemic has had a significant impact on line items such as vessel running cost, quarantine cost and vessel chartering cost due to schedule postponement. The combination of these factors have once again detrimentally affected our bottom line.

It is with my sincere appreciation to the Board, for their stirling efforts, along with the senior management and all company personnel, that the quickly evolving situation was addressed and managed as effectively as possible in a fast changing regulatory environment, considerably limiting any adverse impact.

Revenue earned in 2021 was USD 111.6 million and up from USD 83.8 million earned in 2020. Consequently, Mermaid unfortunately ended the year in a net loss position from operations of USD 17.0 million, albeit considerably improved from the previous years recorded loss from operations of USD 31.9 million. Once again, it must be underlined that the dedication and application in the current situation with heightened management focus led to significant impact minimization in an extremely challenging year. Correspondingly, our strategies are bearing fruit with the significant achievement of a more diversified forward book being greater at the end of the year than it was at the beginning of any year for the first time in any of the past four years, is testimony to the significant recovery

efforts. Looking ahead, the Group remains focused on building capacity in the Engineering and Cable/Flex Lay Divisions with the intended goal of being able to seamlessly move into the Renewables space when the opportunity presents. Therefore, it is my considered opinion, based on the metrics and outlook presented that the company is in a healthier position than 2021 and poised to deliver a significant turnaround from FY 2022 forward.

In 2021, even though Mermaid generated USD2.9 million in negative cash flow from operations, this was still a significant improvement over the previous year, which came in at a negative USD 6.1 million. The cash balance in 2021 including restricted cash and investment was USD 19.1 million against debts of USD 51.9 million, and for comparative analysis our cash balance in 2020 including restricted cash and investment was USD 56.7 million against debts of USD 57.6 million. At the end of 2021, our balance sheet position remained strong with current ratio of 1.42 times, liability to equity ratio of 0.61 times and net debt to equity ratio of 0.32 times.

AGAINST THE CURRENT

It was extremely pleasing to see the increased vitality of the Company, once again, in SEA in 2021. This considerable effort was key to unlocking several project awards from a diverse client portfolio. The current awards and the green shoots evident in this market are signaling an increase in demand and we are making significant strides in terms of assets and organizational capability to pursue and secure business opportunities in the Asia Pacific region for the foreseeable future.

Having expressed my optimism with regards to the reestablishment, after a period of dormancy, of the Cable and Flex Lay Division, over the last year this division has realised significant lump sum turnkey project awards. The 50% purchase of the Millennium III, in addition to signifcant investments in cable and flex lay installation equipment, further reinforces the forward momentum for the group with this division as a key enabler. The Saudi Arabian business unit achieved a significant revival of contract works outside of traditional IRM activities, whilst still efficiently executing long term IRM projects for ARAMCO in trying times.

New clients and project awards in the African markets, specifically South Africa and Angola, are a welcome affirmation of the success of the key strategic imperative to deploy prudently to new markets, thereby expanding geographic footprint on the back of project awards. The UK Business Unit has established itself as a high quality, integrated services provider in this mature oil province and looks set to leverage significant awards off this base in the near future.

The notable establishment of a fully fledged engineering department, reduced SGA and increased turnover have been key achievements and will of continue in 2022 along with several Environmental and Employee support programmes designed to meet the needs of our people and the planet.

Our partnerships with reputable business partners is still a cornerstone of our business and what we believe will be a key factor in our positioning to be able to deliver exceptional results in our expected turnaround. Consequently, we ended the 2021 year with an order book of USD 292 million. The primary contracts include the subsea inspection, repair and maintenance contracts and cable and flex lay contracts who are all being delivered to reputable clients in the Middle East.



IMPLEMENTING STRATEGIC NECESSITIES

The outlook for subsea service providers, though shaken by the Global pandemic in the past 24 months, continues to be positive on a longer-term basis. Significant changes in the market growth and market competition landscape were inevitable and are now playing out. However, new projects are being sanctioned as evidenced by our significant project awards, despite the extreme low point the market finds itself in. Delayed maintenance will force the hand of field operators, thereby unlocking spend in that market segment which bodes well for our Group, and we are already preparing ourselves to respond.

In the Oil and Gas Sector it is expected that Saudi Arabia will invest several hundred billion dollars in the KSA Eastern Seaboard over the next 4-5 years, and the UAE and Qatar are also planning to invest in the tens of billions of dollars in their Oil and Gas sectors. West African markets have allocated budgets of well above one hundred billion dollars and the UK market planning to spend into the tens of billions of dollars out to 2025 on decommissioning alone.

Therefore, in 2022, we will continue to focus on our core business of IRM, while aiming to deliver credible results in the cable laying business and utilising our key management's experience in decommissioning as an enabler for the Group's decommissioning aspirations globally. We continue with our goal of developing more innovative technologies in order to keep providing advanced solutions for our customers.

This is also the fifth year that we have published, in accordance with our SGX obligations to do so, a Sustainability Report based on the Global Reporting Initiative framework, and we remain committed to examining the social impact of our operational footprint.

EXPRESSION OF GRATITUDE

In order to successfully deal with the challenges of 2021, Mermaid has relied heavily on principles of teamwork and the strong work ethic of its personnel. I would like to thank all of our employees for adhering to these values with such dedication, as they have done so since the founding of the company, and I would acknowledge the role that this has played in our performance. To our board, again, I would like to thank you for your irreplaceable contribution and counsel during these hard times. To our business partners and customers, we thank you for "keeping the faith" and your ongoing trust in our competency.

Good corporate governance has long been realized as an essential component for business sustainability and the creation of value for shareholders. The board and senior management remain commited to corporate governance "best practices" in this business in order to deliver the best of bottom line result to shareholders.

In summary, I would like to sincerely demonstrate my gratitude to our shareholders for your continued support and confidence in our company. As we swim into '22, we would like to assure you all that Mermaid will continue to do its best to overcome present obstacles whilst providing our high quality of services to customers and clients.

Yours Sincerely,

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Mr. Prasert Bunsumpun Chairman of the Board







MERMAID is a leading international subsea and offshore services company which provides Inspection, Repair and Maintenance service ("IRM") and cable and flex lay services. Our corporate headquarter is in Asia (Thailand), and we are listed on the Singapore Stock Exchange ("SGX"). We have operational bases in the Middle East, West Africa and South East Asia, as well as a newly established commercial office in the United Kingdom to take advantage of opportunities in the North Sea.

We provide full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment, remotely operated vehicles and cable lay vessels. We have been in the offshore business for over 30 years and today we are present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff. Our vision is to be a premium service provider to the offshore oil and gas industry, to expand our business by type and regions to serve more customers and to constantly deliver enhanced returns to our shareholders.



"By diversifying into cable lay assets, decommissioning activities and positioning for entry into the renewables sector, as well as exploring new opportunities for growth in the African and UK Markets, we can again start to deliver value to our stakeholders."

PRAYUDH MAHAGITSIRI HONORARY ADVISER



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

Mr. Prasert Bunsumpun brings to Mermaid 30 years of experience in the oil and gas industry. Besides his role in Mermaid, he serves as Chairman of other boards, including Thoresen Thai Agencies Plc., Yuanta Securities (Thailand) Co., Ltd., SVI Plc., and AIRA Capital Public Company Limited, and as a director on the board of Intouch Holdings Plc., Thaicom Plc., Major Cineplex Group Plc., and T.K.S. Technologies Plc. He also previously served as Chairman of Nok Airlines Plc., PTT Global Chemical Plc., PTT Exploration and Production Plc., PTT Chemical Plc., IRPC Plc. and Thai Lube Base Plc., and as Executive Chairman of Krungthai Bank Plc. He was President and CEO of PTT Plc. for over eight years. In addition, he served as a director of PTT Global Chemical Plc., PTT Plc., IRPC Plc., PTT Chemical Plc., PTT Exploration and Production Plc., PTT Aromatic and Refinery Plc., Thai Oil Plc., and Bangchak Petroleum Plc. Mr. Bunsumpun holds a Master in Business Administration (M.B.A.) from Utah State University, U.S.A., a Bachelor of Engineering in Civil Engineering (B.Eng.) from Chulalongkorn University in Thailand, and has a number of Honorary Doctorates from renowned universities in Thailand. He also completed his Certificate in Advanced Management Program (AMP 155) from Harvard Business School, U.S.A. He also completed the Role of the Chairman Program No. 28/2012 and Director Accreditation Program No. 26/2004 from the Thai Institute of Directors Association (IOD), and Certificate in Capital Market Academy Leadership Program Class 3/2006 from the Capital Market Academy.

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

Mr. Paul Whiley was appointed to the Mermaid Board on the 20th of November 2021. is a co-fourder of Mermaid's existing business unit in the Middle East, and to the largest extent, together with his team, spearheaded our unrivalled positioning there. He resigned at the end of 2016 due to family reasons but has rejoined Mermaid, working as the Chief Operating Officer. Paul's track record speaks for itself, and is unprecedented in this segment of the offshore space. His ability to leverage forward book, and create business momentum has already paid substantial dividends, the proof of which is evident in our pipeline reporting for 2021 and beyond. Paul studied English and Law at the University of Natal, and also read Sociology at UNISA. He has a significant Saturation diving background, which followed naturally post his time in the Military, where he in fact become the most decorated Navy Diver in South African military history [Bravery - HC Gold]



Mr. Prasert Bunsumpun Non-Executive Chairman (Age 69)



Mr.Chalermchai Mahagitsiri Executive Vice Chairman (Age 42)



Mr. Paul Whiley Executive Director (Age 54)



Dr. Jean Paul Thevenin Non-Executive Director (Age 81)



Mr. Tang Kee Fei Independent Director (Age 66)



Mr. Tay Yu-Jin Independent Director (Age 47)



Dr. Jan Jozef Skorupa Independent Director (Age 74)

Dr. Jean Paul Thevenin has a Doctorate Degree (Ph.D.) in Metallurgy from Orsay University in France and has produced many publications in the field of steel and the steel industry, where he developed his longstanding career. He also serves as a director of Thoresen Thai Agencies Plc. and PM Thoresen Asia Holdings Plc. He was the former Managing Director and Chief Executive Officer of Thainox Stainless Plc., a stainless steel manufacturer in Thailand, which he was in charge of building and managing since 1991. He had also served for many years as President of the Franco-Thai Chamber of Commerce in Thailand and is an officer of the National Order of Merit, a French decoration awarded in recognition of his distinguished civil achievements, as well as a recipient of an honorary Ph.D. from King Mongkut Institute of Technology in Thailand.

Mr. Tang Kee Fei is a fellow member of the Chartered Institute of Management Accountants since 1991. Mr. Tang has over 30 years diversified international accounting and management experience in various multi-national companies. He served as VP Finance at Creative Technology Ltd from 1996 to 2013. He is currently the general manager of Asiatech Energy Pte Ltd.

Mr. Tay Yu-Jin is a partner and head of the Asia international arbitration practice of Mayer Brown LLP, a leading US global law firm. He is based in Singapore and has over 20 years of experience covering disputes arising from a broad range of sectors including energy, oil and gas, M&A/joint venture, construction and infrastructure, mining and natural resources, media, technology and general commercial disputes. In addition to acting as counsel, Yu-Jin sits regularly as presiding, sole and co-arbitrator in ICC, SIAC, LCIA, VIAC, HKIAC and ad hoc arbitrations. Yu-Jin was one among four Asian lawyers featured in Global Arbitration Review's 2011 global 45 under 45 ranking and has been ranked among the top partners in Arbitration: Future Leaders for consecutive years. He is recognised annually as a leading individual in major legal directories including GAR's International Who's Who (since 2010), Chambers Asia-Pacific (since 2008; ranked in the Asia-wide, Singapore, Indonesia, South Korea, and India chapters), Legal 500 (since 2008), Euromoney Guide to the World's Leading Experts in Commercial Arbitration (since 2006) and Benchmark Litigation (Local Disputes Star from 2013). In May 2019, Yu-Jin received individual commendation and led his team to winning the Financial Times Award for Most Innovative Dispute Resolution Team in the Asia Pacific. He is Vice President and Fellow of the Singapore Institute of Arbitrators. He has practiced in Paris, London and Washington DC and previously headed the Asia arbitration practice of a leading US wall street law firm and another major global law firm. He was called to the bar in England in 1998 and trained as a pupil at Fountain Court Chambers. As a Singapore Public Service Commission Overseas Merit Scholar, he served in the Singapore Ministry of Defence. Mr. Tay also has experience leading and advising on corporate and internal investigations within the Asia-Pacific region. He holds a Bachelor of Laws (LL.B.) and Master of Laws (LL.M.) from University College London.

Dr. Jan Jozef Skorupa is currently Managing Director and a major shareholder of Clesol Co. Ltd. (Clean Environment Solutions), a company involved with process and equipment of the MAGUIN Group from France for bio-ethanol plants and conversion of biomass into energy. He is the former Managing Director of Fives Asia Office in Bangkok, an important French Engineering Group focusing on process and equipment for cement, steel, glass, sugar and energy industries. Prior to that, he had served during 10 years as Managing Director of Stein Industry SA, a subsidiary of Alstom Group from France in South Africa involved with Coal Milling and Combustion Systems for Power Generation and Mining Industries. He obtained a Master Degree in Mining Engineering from Polytechnic University of Silesia in Poland and a Doctorate Degree (Ph.D.) at University of Cape Town in South Africa.

Note: Pursuant to the Articles of Association of the Company, Mr. Chalermchai Mahagitsiri, and Mr. Tay Yui-Jin and Mr. Paul Whiley are scheduled to retire from the Board by rotation at the next Annual General Meeting of Shareholders No. 01/2022. All three retiring Directors shall be seeking re-election for another term at that general meeting. For additional information on Directors seeking re-election, please refer to the section on "General Disclosures" in this Annual Report.



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

Phiboon began his career in Finance & Accounting at IBM Thailand in 1996 where he worked for 5 years. He had also worked with Bristol-Myers Squibb Thailand in 2000 as a Business Analyst. Prior to joining Mermaid, he worked with Exel Thailand as their Management Accounting Manager during 2003-2005. He graduated with a Bachelor of Business Administration (major in Accounting) from Yonok University (scholarship program) and a Master of Business Administration (major in Finance) from the National Institute of Development Administration (NIDA), Thailand.

Mr. Simon Wilde has been associated with Mermaid since 2010 and in 2020 rejoined the Group and took up the role of Commercial Director based in Dubai. He has been in various accounting positions throughout his career with a focus in commercial/tendering in the subsea environment since 2008. Previously concentrating on the Middle East commercial activities, he now overseas commercial activities in the Group for both eastern and western hemispheres. Simon has extensive experience in costing and has been an integral part of the team that has won numerous successful subsea contracts over the years.

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

Mr. Hans Huijskens recently rejoined Mermaid and is responsible for the submarine flexible product installation aspect of the business. Over the past 25 years, he was involved in numerous cable installation projects on a worldwide basis. In 2004, he was a co-founder of Five Oceans Services which was merged in 2011 with a Company presently known as Seaway Offshore Cables. During the past 10 years, the focus shifted to the Middle East where significant cable/flexible/umbilical and fiber optic cable installation projects where successfully executed for a range of Clients. Hans holds a MSc degree from the University of Delft in Offshore Technology. Hans is residing in Dubai.



Mr. Phiboon Buakhunngamcharoen (Chief Financial Officer)



Mr. Simon Wilde (Commercial Director)



Mr. Pattarapol Wannarat (Regional Director – Zone 1)



Mr. Hans Huijskens (Country Manager - UAE)



Mr. Marc Bernardis (Country Manager – Saudi Arabia)



(Country Manager – Saudi Arabia)



Mr. Lennox Thompson (Country Manager - Qatar)



Mr. Fraser Moonie (Regional Director)

Mr. Marc Bernardis is the Country manager of Mermaid Subsea Services Saudi Arabia. Marc joined the group in 2013 and has successfully held various managerial positions including, Project manager and County manager. Marc has been in the diving and management field since 2005. He has worked for diverse organizations till date, particularly in South Africa and the Middle east. He is an Italian and South African national, holding a Bachelor of commerce and post graduate degrees from South Africa. He holds various certificates relate to the Diving Operations, Management, Safety and Other Marine Operations from South Africa. Marc has worked on the Saudi Aramco projects in various capacities for almost 7 years now and has been instrumental in the ongoing expansion and continual development of Mermaid Subsea Services Saudi Arabia.

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

In addition, with the purpose of support company work in the Middle East and the United Kingdom, we also have;

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

Mr. Fraser Moonie has 25 years' experience in the Energy sector in a variety of senior positions including COO of UK based diving contractor Bibby Offshore, and most recently as Chief Executive of membership body Decom North Sea, prior to joining Mermaid as Regional Director for the UK region in August 2021. Fraser held a senior management position within TechnipFMC in the UK prior to joining start-up company (backed by a larger family business), Bibby Offshore. At Bibby, Fraser was integral in growing the business into an international subsea diving and engineering contractor where laterally Fraser was responsible for the company's strategy and growth internationally. Fraser holds a Bachelor of Science in Quantity Surveying and is a chartered Surveyor (MRICS). Fraser also holds an MBA (with distinction) from the Aberdeen Business School.

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



GLOBAL PRESENCE

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



MIDDLE EAST

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

AFRICA

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

ASIA PACIFIC AND SOUTH EAST ASIA

Mermaid has already initiated considerable significant clawback in Asia that is growing in momentum. In addition to the oil and gas business which is still highly competitive, we further see Renewables in ASEAN taking off and Mermaid is positioning itself to take advantage in this space.

UNITED KINGDOM

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

ANNUAL REPORT 2021 MERMAID MARITIME PUBLIC COMPANY LIMITED

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YEARS SINCE MERMAID MARITIME'S ESTABLISHMENT

500+

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

6+1*

SUBSEA VESSELS

*50% OWNERSHIP THROUGH MILLENNIUM 3 SHIP MANAGEMENT AND OPERATIONS DMCCO

3 + 14

SATURATION AND AIR DIVING SYSTEMS

11 + 3** REMOTELY

OPERATED VEHICLES

**50% OWNERSHIP THROUGH ZEAQUEST CO., LTD.



1. MERMAID ENDURER (BUILT IN 2010)

The DSV "Mermaid Endurer" is a Norwegian purpose-built DP2 dive support and light construction vessel, specially designed for operations in severe weather conditions such as the North Sea. The vessel has high manoeuvrability and station keeping capabilities and is equipped with a built in 18-man single bell saturation diving system, complete with a self-propelled hyperbaric lifeboat. The vessel has a 100-tonne active heave-compensated knuckle boom crane and accommodation for 86 personnel. The DSV 'Mermaid Endurer' is DNV classed and flies the Panama flag.

2. MERMAID ASIANA (BUILT IN 2010)

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

3. MERMAID COMMANDER (BUILT IN 1987)

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



4. MERMAID SAPPHIRE (BUILT IN 2009)

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

5. MERMAID CHALLENGER (BUILT IN 2008)

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

6. RESILIANT (BUILT IN 2005)

The Barge Resiliant is a Derrick Pipe Lay Barge with a clear deck area of 1,200 m2 and accommodation for up to 284 personnel with Panama flag. This barge is suitable for operation such as Pipe-laying Operations, Offshore Operations Support and Flotel.

7. MILLENNIUM 3 (YEAR BUILT/CONVERSION - 2011/2018)

The SV 'Millennium 3' is a self-propelled DP2 construction support barge, with 8-point mooring system and 300 tonnes main crane. This vessel is currently configured for flex- and cable-lay and has accommodation for 239 personnel. The MV 'Millennium 3' is BV classed and flies the Comoros flag.



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| No. | Company | Type of Business | Place of Incorporation | Date of Incorporation | Company Registration No. | Type of Share | Paid-up Capital | Shares Issued | % of Mermaid Shareholding |
|-----|---|---------------------|---------------------------|-----------------------|-----------------------------|------------------|--------------------|---------------|------------------------------|
| 1. | Mermaid Maritime Public Company Limited | Holding | Thailand | 15 January 2007* | 0107550000017 | Ordinary | THB 1,413,328,857 | 1,413,328,857 | ı |
| 2. | Mermaid Subsea Services (Thailand) Ltd. | Subsea | Thailand | 24 June 2003 | 0105546072562 | Ordinary | THB 2,130,000,000 | 213,000,000 | 100% (direct) |
| С | Mermaid Subsea Services (International) Ltd. | Subsea | Seychelles | 05 March 2008 | 046418 | Ordinary | USD 1 | 1 | 100% (indirect) |
| 4. | Mermaid Subsea Services LLC | Subsea | Qatar | 11 November 2008 | 40867 | Ordinary | QAR 200,000 | 200 | 49% (indirect) |
| 5. | Mermaid Subsea Services Saudi Arabia Co. Ltd. | Subsea | Saudi Arabia | 8 April 2011 | 623353 | Ordinary | SAR 500,000 | 5,000 | 95% (indirect) |
| 6. | Zamil Mermaid Offshore Services Company LLC | Subsea | Saudi Arabia | 18 September 2012 | 2051050298 | Ordinary | SAR 2,000,000 | 2,000 | 40% (direct) |
| 7. | Mermaid Offshore Services Pte. Ltd. | Subsea | Singapore | 28 March 2011 | 201107423W | Ordinary | USD 20,400,100 | 20,400,100 | 100% (indirect) |
| ¢. | Seascape Surveys Pte. Ltd. | Subsea | Singapore | 24 November 2004 | 200415192D | Ordinary | SGD 100 | 100 | 100% (indirect) |
| 9. | PT Seascape Surveys Indonesia | Subsea | Indonesia | 19 January 2005 | 09.03.1.74.44960 | Ordinary | IDR 7,328,000,000 | 800 | 49% (indirect) |
| 10. | Mermaid Subsea Services (Malaysia) Sdn. Bhd. | Subsea | Malaysia | 16 January 2018 | 1264208-U | Ordinary | MYR 550,000 | 550,000 | 45% (indirect) |
| 11. | Mermaid Subsea Services (UK) Limited | Subsea | United Kingdom | 7 February 2020 | 653829 | Ordinary | GBP 100,000 | 100,000 | 100% (indirect) |
| 12. | Mermaid Drilling Ltd. | Holding | Thailand | 24 January 2005 | 0105548011196 | Ordinary | THB 410,000,000 | 41,000,000 | 95% (direct) |
| 13. | Mermaid Subsea Oil And Gas Services DMCEST | Subsea | UAE (Dubai) | 24 June 2021 | 80139 | Ordinary | AED 1,000,000 | 1 | 100% (indirect) |
| 14. | MTR-2 Ltd. | Drilling | Thailand | 15 March 2005 | 0105548036881 | Ordinary | THB 267,750,000 | 35,000,000 | 95% (indirect) |
| 15. | Millennium 3 Ship Management And Operations DMCCO | Subsea | UAE (Dubai) | 7 August 2021 | 80140 | Ordinary | AED 1,000,000 | 10 | 50% (indirect) |
| 16. | ZeaQuest Co., Ltd. | Subsea | Thailand | 27 October 2020 | 0105563159131 | Ordinary | THB 155,000,000 | 1,550,000 | 50% (indirect) |
| 17. | Mermaid-MOE JV Co., Ltd. | Subsea | Thailand | 10 September 2020 | 0105563133086 | Ordinary | THB 1,000,000 | 100,000 | 100% (indirect) |
| 18. | Mermaid Maritime Mauritius Ltd. | Holding | Mauritius | 25 March 2014 | 121881 | Ordinary | USD 1 | 1 | 100% (direct) |
| 19. | Mermaid International Ventures | Holding | Cayman Islands | 26 August 2014 | 291210 | Ordinary | USD 100 | 100 | 100% (indirect) |
| 20. | PTGC Co., Ltd. | Investment | Cambodia | 26 September 2017 | 00028200 | Ordinary | KHR 78,600,000,000 | 19,650,000 | 49% (direct) |

As at 31 December 2021

MERMAID GROUP COMPANIES

ANNUAL REPORT 2021 MERMAID MARITIME PUBLIC COMPANY LIMITED

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* as a public listed company

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STATEMENT OF GENERAL COMPLIANCE

Mermaid Maritime Public Company Limited ("Mermaid" or the "Company") is committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems within the Company and its subsidiaries (the "Group").

As at 31 December 2021, Mermaid is generally in compliance with the principles and guidelines set out in the Singapore Code of Corporate Governance 2018 (the "Code"). Where there are deviations from the Code, appropriate explanations are provided. Specific disclosure in relation the Code is set forth below:

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1

The Board oversees and manages the Company's business under the control of the resolutions of the shareholders' meeting in good faith and due care for the best interest of the Company. The Board is collectively responsible and works with management for the long-term success of the Company.

The key functions of the Board are to:

- 1. be responsible for the overall management and strategic direction for the Group;
- 2. perform duties with knowledge, competence, transparency, due care and accountability for the Company and its shareholders;
- 3. bring in expertise, capability and experience that are beneficial to the Company's operations;
- 4. have leadership skills, vision and independent decision-making ability to ensure the utmost benefit to the Company and the shareholders; and
- 5. meet on a regular basis to review and monitor the Company's financial position, management performance and business operation.

In performing the key functions above, the Board sets an appropriate tone-from-the-top and the desired organizational culture and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. The Board has also put in place a Code of Business Conduct setting out the Company's business ethics.

BOARD ORIENTATION AND TRAINING

The Company conducts a comprehensive induction to new Directors. This orientation program is conducted by the management of the Company to ensure that they are familiar with the Company's business and governance practices. All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time, in order to raise awareness of compliance, essentials of the roles of a director and a member of each committee in a listed company. The Company shall be responsible for the course fees.

Upon the appointment of any new Director, the Company Secretary, apart from the induction, provides an official letter to clarify the terms of appointment, the Director's roles and the disclosures to the Company towards issues of conflicts of interest and change of shareholding interests, including the Company's policies.

MATTERS REQUIRING BOARD APPROVAL

All acquisitions or investments, investments in securities and immovable assets, divestments, funding requests, borrowings and expenditures of the Group with a value equal to or exceeding US Dollars 25 million shall require the approval of the Board. The Executive Committee has the authority to approve such transactions below this threshold, unless they are, due to their nature, deemed to be material, in which case Board approval will be required instead.

All members of the Board have served the Company for several years and therefore understand the Company's business and their directorship duties.

BOARD COMMITTEES

There are five (5) committees on the Board: the Audit Committee, the Nomination Committee, the Remuneration Committee, the Executive Committee and the Risk Management Committee. The Audit Committee, the Nomination Committee and the Remuneration Committee were all formed on 26 June 2007. The Executive Committee was formed on 26 June 2012. The Risk Management Committee was formed on 18 September 2013.

The membership of the Board Committees are as follows:

| Name | Type of Meetings | | | | | | |
|-----------------------------|------------------|------------|-----------|-----------|------------|-----------|--|
| Name | Board | Audit Com. | Rem. Com. | Nom. Com. | Exec. Com. | Risk Com. | |
| Mr. Prasert Bunsumpun | Chair | - | - | - | Chair | - | |
| Mr. Chalermchai Mahagitsiri | Member | - | - | - | Member | Member | |
| Dr. Jean Paul Thevenin | Member | Member | Member | Member | Member | Chair | |
| Dr. Jan Jozef Skorupa* | Member | Member | Member | Chair | - | - | |
| Mr. Tang Kee Fei | Member | Chair | - | Member | - | Member | |
| Mr. Tay Yu-Jin | Member | - | Chair | Member | - | - | |
| Mr. Paul Whiley | Member | - | - | - | Member | - | |

* Also Lead Independent Director

Details of each Board Committee are as follows:

AUDIT COMMITTEE

As at 31 December 2021, the Audit Committee comprises one (1) Non-Executive Director, namely Dr. Jean Paul Thevenin, and two (2) Independent Directors, namely Mr. Tang Kee Fei and Dr. Jan Jozef Skorupa. The Chairman of the Audit Committee was Mr. Tang Kee Fei. The majority of the Audit Committee members, including the Chairman, are Independent Directors.

The Audit Committee is responsible, among other things to:

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

- (c) oversee the performance and effectiveness of the Group's risk management systems and internal controls;
- (d) review the assurance from the Chief Executive Officer ("CEO") and the Chief Financial Officer on the financial records and financial statements;
- (e) make recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors and the remuneration and terms of engagement of the external auditors;
- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (g) review the qualification, independence and performance of the external auditors and non-audit services rendered by the external auditors;
- (h) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters so that they may be safely raised, independently investigated and appropriately followed up on;
- (i) review Interested Persons Transactions ("IPT") and Related Party Transactions ("RPT"); and
- (j) oversee the Internal Audit Department.

The Audit Committee takes measures to keep abreast of changes in accounting standards and issues which have a direct impact on the Company's financial statements.

NOMINATION COMMITTEE

As at 31 December 2021, the Nomination Committee comprises one (1) Non-Executive Director, namely, Dr. Jean Paul Thevenin, and three (3) Independent Directors, namely, Mr. Tang Kee Fei, Mr. Tay Yu-Jin, and Dr. Jan Jozef Skorupa. The Chairman of the Nomination Committee was Dr. Jan Jozef Skorupa.

The Nomination Committee is responsible, among other things, to:

- (a) review succession plans for Directors and, in particular, the Chairman, the CEO and key management personnel;
- (b) establish the process and criteria for evaluation of the performance of the Board, its Committees and Directors;
- (c) identify and/or make recommendations to the Board on all candidates nominated for appointment to the Board;
- (d) review Board structure, size, composition, core competencies and performance from time to time;
- (e) review the training and professional development programs for the Board and its Directors;
- (f) review all candidates nominated for key management positions in the Company; and
- (g) determine annually whether or not a Director is independent.

REMUNERATION COMMITTEE

As at 31 December 2021, the Remuneration Committee comprises one (1) Non-Executive Director, namely Dr. Jean Paul Thevenin, and two (2) Independent Directors, namely Mr. Tay Yu-Jin and Dr. Jan Jozef Skorupa.

The Chairman of the Remuneration Committee was Mr. Tay Yu-Jin. The majority of the Remuneration Committee members, including the Chairman, are Independent Directors.

The Remuneration Committee is responsible, among other things, to:

- (a) recommend to the Board a framework of remuneration for the Directors and key executives of the Company;
- (b) determine performance-related elements of remuneration for the Board's consideration; and
- (c) administer the share award or bonus schemes, if any.

EXECUTIVE COMMITTEE

As at 31 December 2021, the Executive Committee comprises two (2) Non-Executive Directors, namely Mr. Prasert Bunsumpun and Dr. Jean Paul Thevenin, and two (2) Executive Directors namely Mr. Chalermchai Mahagitsiri and Mr. Paul Whiley. The Chairman of the Executive Committee was Mr. Prasert Bunsumpun.

The Executive Committee is responsible, among other things, to:

- (a) approve transactions with a value of up to US Dollars 25 million;
- (b) exercise powers of the Board to act upon any specific matters delegated by the Board from time to time;
- (c) consider the Company's business plan and annual budget for recommendation to the Board; and
- (d) consider the overall performance of the Company and provide recommendations to enhance performance.

RISK MANAGEMENT COMMITTEE

As at 31 December 2021, the Risk Management Committee comprises one (1) Independent Director namely Mr. Tang Kee Fei, one (1) Non-Executive Director namely Dr. Jean Paul Thevenin, one (1) Executive Director namely Mr. Chalermchai Mahagitsiri who is also the CEO, and Mr. Phiboon Buakhunngamcharoen who is the Chief Financial Officer. The Chairman of the Risk Committee was Dr. Jean Paul Thevenin.

The Risk Management Committee is responsible, among other things, to:

- (a) review and propose for approval from the Board on principles, policies, strategies, processes, and control frameworks for the management of key risks faced by the Group;
- (b) review, consider and/or make recommendation to change the level of risk taken by the Group for approval from the Board;
- (c) delegate its powers and discretions to executives of the Company with or without the authority to subdelegate further; and
- (d) regularly coordinate with the Audit Committee by sharing information about risks and internal control potentially affecting the Group's business.

The number of Board and Board committee meetings held during the financial year ended 31 December 2021, as well as the attendance of every Board member at these meetings, including participation through teleconference, is as follows.

| Name | | Type of Meetings | | | | |
|-----------------------------|-------|------------------|-----------|-----------|------------|-----------|
| Name | Board | Audit Com. | Rem. Com. | Nom. Com. | Exec. Com. | Risk Com. |
| Mr. Prasert Bunsumpun | 11/11 | - | - | - | 9/9 | - |
| Mr. Chalermchai Mahagitsiri | 11/11 | - | - | - | 9/9 | 2/2 |
| Dr. Jean Paul Thevenin | 11/11 | 4/4 | - | - | 9/9 | 2/2 |
| Dr. Jan Jozef Skorupa | 11/11 | 4/4 | - | - | - | - |
| Mr. Tang Kee Fei | 7/11 | 4/4 | - | - | - | 2/2 |
| Mr. Tay Yu-Jin | 7/11 | - | - | - | - | - |
| Mr. Paul Whiley | 1/11 | - | - | - | 1/1 | - |

REVIEW OF COMPANY PERFORMANCE

The Board is accountable for providing a balanced and understandable assessment of the Company's performance. The Company releases quarterly and full year financial results via SGXNet on a timely basis.

Financial report and business updates are provided to the Executive Committee members on a monthly basis in order to review and assess the operation's performance. Such reports and business updates compare Mermaid's actual performance against the budget and highlight key business drivers/indicators and any major issues that are relevant to Mermaid's performance, position and prospects. The Executive Committee provides the updated report to the Board on a regular basis.

VOLUNTARY ANNOUNCEMENT OF QUARTERLY REPORTS

On 9 January 2020, Singapore Exchange Regulation ("SGX RegCo") announced changes to quarterly reporting ("QR") requirements. Effective 7 February 2020, the risk-based approach to QR replaces the previous reporting requirement based on companies meeting, among other things, a certain minimum market capitalization.

Following this announcement, it is no longer mandatory for the Company to report its financials on a quarterly basis. In the interest of continuing to keep shareholders and stakeholders informed on the Company's performance and to continue to engage with investors on the Company's long-term business strategy, the Company shall continue to release its quarterly results via SGXNet on a voluntary basis.

ACCESS TO INFORMATION

The Board is provided complete, adequate and timely information prior to the Board meetings. Board meeting agenda and papers are prepared by the management and circulated to the Board in advance by the Company Secretary on an ongoing basis.

The Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for supporting the corporate secretarial functions to the Board to ensure the board procedures are followed. He also provides guidance to the Board in relation to the compliance of regulatory requirements by the Group.

The Company Secretary that presided for the year ended 31 December 2021 was re-appointed since 11 October 2019. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

With the approval of the Chairman, Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of his/her responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

BOARD COMPOSITION AND GUIDANCE

Principle 2

Each year, the Nomination Committee reviews and determines periodically whether or not a Director is independent and procure that at least one-third (1/3) for the Board shall comprise of Independent Directors (or such other minimum proportion and criteria as may be specified in the Code from time to time).

As at 31 December 2021, the Board comprises seven (7) Directors including three (3) Independent Directors, two (2) Non-Executive Directors, and two (2) Executive Directors.

BOARD INDEPENDENCE

The Independent Directors have each declared that they are independent in conduct, character and judgment, and have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interest of the Company.

BOARD COMPOSITION AND SIZE

The composition of the Board is governed by various laws, listing rules, articles and best practise including, but not limited to, the following:

- (a) the Board shall comprise of not less than five (5) persons (Section 67 of the Thai Public Companies Act B.E. 2535 (A.D. 1992) and Article 13 of the Articles of Association);
- (b) not less than half (1/2) of the total number of Directors shall be resident in Thailand (Section 67 of the Thai Public Companies Act B.E. 2535 (A.D. 1992) and Article 13 of the Articles of Association);
- (c) the Board shall comprise at least two (2) Independent Directors (Rule 210(5)(c) of the Listing Manual of the SGX-ST);
- (d) at least two (2) Independent Directors shall be resident in Singapore (Rule 221 of the Listing Manual of the SGX-ST);
- (e) Independent Directors should make up a majority of the Board where the Chairman is not independent (Principle 2, Guideline 2.2 of the Code);
- (f) Non-Executive Directors should make up a majority of the Board (Principle 2, Guideline 2.3 of the Code);
- (g) the Audit Committee should comprise at least three (3) Directors, a majority of whom, including the Chairman, should be Independent and all of whom should be Non-Executive Directors (Principle 10, Guideline 10.2 of the Code);
- (h) the Nomination Committee should comprise at least three (3) Directors, a majority of whom, including the Chairman, should be Independent (Principle 4, Guideline 4.2 of the Code);

- the Remuneration Committee should comprise at least three (3) directors, a majority of whom, including the Chairman, should be Independent and all should be Non-Executive Directors (Principle 6, Guideline 6.2 of the Code);
- (j) the Risk Management Committee should comprise at least four (4) members of which two (2) should be Non-Executive Directors and the other two (2) should be the CEO and Chief Financial Officer (Section 3.2 of the Risk Management Committee Charter); and
- (k) the Lead Independent Director should be appointed where the Chairman is not an Independent Director (Principle 3, Guideline 3.3 of the Code) and should also be a member of the Nomination Committee (Principle 4, Guideline 4.2 of the Code).

The Nomination Committee reviews the structure, size and composition of the Board and Board Committees annually, including the skills and core competencies of its members to ensure an appropriate balance of skills and experience. The Nomination Committee is of the view that the Board is of the appropriate size and with the right mix of skills and experience given the nature and scope of the Group's operations.

A majority of the Board comprises Non-Executive Directors and one-third (1/3) of the Board are Independent Directors. This is to ensure that there is effective representation for shareholders and issues of strategy, performance and resources are fully disclosed and examined to take into account long-term interest of the shareholders, employees, customers, suppliers and the industry in which the Group conducts its business. The Board is able to exercise objective judgment independently from management and no small group of individuals dominates the decisions of the Board.

The Chairman is not an Independent Director. Pursuant to Guideline 2.2 of the Code, where the Chairman is not an Independent Director, Independent Directors should make a majority of the Board. The Nomination Committee considers that there remains a strong and independent element on the Board notwithstanding the Chairman not being an Independent Director as at 31 December 2021.

The Company is committed to building a diverse, inclusive and collaborative culture. The Company recognizes and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In reviewing the Board composition and appointments, the Nomination Committee takes into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors although merit remains the key driver.

The profile of each Director and other relevant information on the Directors are set out in the sections on "Board of Directors" and "General Disclosures" in this Annual Report.

MEETING OF DIRECTORS WITHOUT MANAGEMENT

The Non-Executive Directors and Independent Directors met regularly where necessary without the presence of management. The chairman of such meetings provide feedback to the Board and/or Chairman, as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There is a clear separation of responsibilities between the Chairman and the CEO to ensure an appropriate balance of power, and increased accountability and greater capacity of the Board for independent decision making. The Chairman provides support and advice to, and acts as a sounding board for the CEO, while respecting executive responsibility. The CEO takes into relevant consideration the views of the Chairman in decision-making and therefore no one individual has unfettered powers of decision-making.

The Chairman and the CEO of Mermaid are not related to each other. The role of the Chairman includes:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and management;
- (g) facilitating the effective contributions of Non-Executive Directors; and
- (h) promoting high standards of corporate governance.

The CEO has full executive responsibilities over the business direction and operations of the Group, and is responsible for the execution of the Board's adopted strategies and policies.

The Chairman of the Nomination Committee, Dr. Jan Jozef Skorupa, was appointed to serve as Lead Independent Director effective 26 April 2016. The Lead Independent Director provides leadership in situations where the Chairman is conflicted. The Lead Independent Director is also available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or the management has failed to resolve or is inappropriate.

BOARD MEMBERSHIP

Principle 4

The Nomination Committee comprise at least three (3) Directors, the majority of whom, including the Nomination Committee Chairman, are independent. The Lead Independent Director is also a member of the Nomination Committee.

PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The Nomination Committee reviews and assesses candidates for directorships before making recommendations to the Board. It also reviews the retirement and re-election of Directors at each Annual General Meeting ("AGM") under Mermaid's Articles of Association and makes recommendations to the Board on the same.

In the selection and nomination for new Directors, the Nomination Committee taps on the Directors' resources to ensure the potential candidates possess relevant experience and have the caliber to contribute to the Company

and its business, having regard to the attributes of the existing Board and the requirements of the Company. The potential candidates will go through a shortlisting process and thereafter, interviews with the shortlisted candidates. Executive recruitment agencies may also be appointed to assist in the search process where necessary. Upon recommendation by the Nomination Committee, a replacement Director can be appointed by way of Board resolution but any new Director shall be appointed by shareholder resolution alone. There is no alternate director on the Board.

Newly appointed Directors serve an initial term of three (3) years, after which they are considered for re-nomination for another term. Their re-nominations are subject to the recommendations of the Nomination Committee.

The Company's Articles of Association provide that at each AGM of the Company, one-third (1/3) of the Directors for the time being, or, if their numbers is not three or a multiple of three, then the number nearest to but not less than one-third (1/3) are required to retire from office and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election, failing which they shall be selected by agreement.

New Directors appointed during the year are encouraged, but not mandated, to retire and seek re-election by shareholders at the next AGM after their appointment.

REVIEW OF INDEPENDENCE

The Nomination Committee has conducted an annual review of Directors' independence based on the Code's criteria for independence and is of the view that Dr. Jan Jozef Skorupa, Mr. Tang Kee Fei and Mr. Tay Yu-Jin are independent. The Independent Directors are required, from time to time, to disclosed to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence.

LISTED COMPANY DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

The listed company directorships and principal commitments of each Director as at 31 December 2021 is set out below:

| | Other Listed Company Directorships |
|-----------------------------|--|
| Mr. Prasert Bunsumpun | T.K.S. Technologies Plc. SVI Plc. Thaicom Plc. Thoresen Thai Agencies Plc. Intouch Holdings Plc. AIRA Capital Plc. Major Cineplex Group Plc. |
| Mr. Chalermchai Mahagitsiri | PM Thoresen Asia Holdings Plc. Unique Mining Services Plc. Thoresen Thai Agencies Plc. Posco-Thainox Plc. Thai Film Industries Plc. |
| Dr. Jean Paul Thevenin | PM Thoresen Asia Holdings Plc. Thoresen Thai Agencies Plc. |
| Dr. Jan Jozef Skorupa | None. |
| Mr. Tang Kee Fei | None. |
| Mr. Tay Yu-Jin | None. |
| Mr. Paul Whiley | None. |

| | Principal Commitments |
|-----------------------------|---|
| Mr. Prasert Bunsumpun | None. |
| Mr. Chalermchai Mahagitsiri | President & CEO, Thoresen Thai Agencies Plc. |
| Dr. Jean Paul Thevenin | Non-Executive Director, Thoresen Thai Agencies Plc. |
| Dr. Jan Jozef Skorupa | Managing Director, Clesol Co., Ltd. |
| Mr. Tang Kee Fei | General Manager, Asiatech Energy Pte. Ltd. |
| Mr. Tay Yu-Jin | Partner, Mayer Brown LLP |
| Mr. Paul Whiley | None. |

The Nomination Committee considers that the other board representations and principal commitments held presently by the Directors do not impede their performance in carrying out their duties to the Company. The Nomination Committee has ascertained that for the period under review, the Directors have devoted sufficient time and attention to the Company's affairs.

BOARD PERFORMANCE

Principle 5

On the initiative of the Nomination Committee and in line with past practice, each Director, on an annual basis, undertakes a self-assessment exercise of the performance of the Board as a whole, of each of its Committees, and of himself/herself taking into relevant consideration the roles and responsibilities of Directors pursuant to the Code and the results of the Company's business operations. The self-assessment exercise is facilitated by the Internal Auditor. The results of the self-assessment exercise are then reported and discussed by the Board and areas for improvement noted by the Board and recorded in the minutes.

Based on the reviews by the Nomination Committee, the Board is of the view that the Board and its Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

Principle 6

The Remuneration Committee has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. The Remuneration Committee recommends the framework for and proposes specific remuneration packages to the Board. The Remuneration Committee considers all aspects of remuneration, including termination terms, to ensure that they are fair. No Director is involved in deciding his or her own remuneration.

The Remuneration Committee comprises at least three (3) Directors. All members of the Remuneration Committee are non-executive Directors, the majority of whom, including the Remuneration Committee Chairman, are independent.

The Remuneration Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises and expenses of such advice shall be borne by the Company. For the financial year ended 31 December 2021, there were no remuneration consultants engaged by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 7

The Group's remuneration policy is to provide remuneration packages which will reward performance and attract, retain and motivate Directors and key executives to run the Group successfully. In setting the remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the same industry and in comparable companies, the Group's and the individual's performance.

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company and prevailing market conditions.

The Non-Executive Directors and Independent Directors do not have service agreements with the Company. They are paid Directors' fees, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the responsibilities, effort and time spent for serving the Board and Board Committees. The Non-Executive Directors and Independent Directors do not receive any other remuneration from the Company. Directors' fees are tabled periodically for shareholders' approval at the AGM.

PAY-FOR-PERFORMANCE ALIGNMENT

The CEO and other key management personnel's remuneration comprises a base/fixed salary and a variable bonus component. The Company has a bonus scheme to link rewards to corporate and individual performance. Such performance-related compensation is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The performance targets as determined by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives.

The Remuneration Committee considers that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, and that the remuneration to Directors, the CEO and other key management personnel is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the CEO and other key management personnel to successfully manage the Company for the long term.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. In any case, Executive Directors owe a fiduciary duty to the Company. The Company would be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

EMPLOYEE SHARE OPTION PLAN

The Employee Share Option Plan is administered by the Remuneration Committee. The Employee Share Option Plan is to reward, retain and motivate employees of the Group who excel in their performance and encourages greater dedication, loyalty and higher standards of performance. The Company had in the past actively implemented Employee Share Option Plans. All previous plans have since expired and there are no active Employee Share Option Plans during the financial year ended 31 December 2021. More details of the Employee Share Option Plans are provided in the section on "General Disclosures" of this Annual Report.

DISCLOSURE OF REMUNERATION

Principle 8

The name and remuneration of each person who is/was a Director of the Company during the financial year ended 31 December 2021 is presented in bands.

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

| Name | Below SGD 100k | SGD 100k-200k | SGD 200k-300k | SGD 300k-400k | SGD 400k-500k |
|-----------------------------|-------------------|------------------|------------------|------------------|------------------|
| Mr. Prasert Bunsumpun | ۲ | - | - | - | - |
| Mr. Chalermchai Mahagitsiri | - | - | - | - | ۲ |
| Dr. Jean Paul Thevenin | ۲ | - | - | - | - |
| Dr. Jan Jozef Skorupa | ٠ | - | - | - | - |
| Mr. Tang Kee Fei | ٠ | - | - | - | - |
| Mr. Tay Yu-Jin | ٠ | - | - | - | - |
| Mr. Paul Whiley | - | - | - | - | ٠ |

The only Director who receives remuneration as an executive of the Company is Mr. Chalermchai Mahagitsiri in his capacity as Executive Vice Chairman and CEO. As an executive of the Company, Mr. Chalermchai Mahagitsiri did not receive any Director's fees.

In the case of persons who served in the capacity of a Director for any part of a financial period, remuneration calculated for the purposes of the above disclosure is based on a pro-forma assessment of potential full year remuneration (i.e. the remuneration that the Director would have received if he/she had served as a Director for the full financial period). All Directors served for the full financial period ended 31 December 2021.

Breakdown (in percentage terms) of each Director's remuneration earned through [1] Directors' fees, [2] base/ fixed salary, [3] variable or performance-related income/bonuses, [4] benefits in kind, and [5] stock options granted and other long-term incentives.

| Name | [1] | [2] | [3] | [4] | [5] |
|-----------------------------|------|------|-----|-----|-----|
| Mr. Prasert Bunsumpun | 100% | - | - | - | - |
| Mr. Chalermchai Mahagitsiri | - | 100% | - | - | - |
| Dr. Jean Paul Thevenin | 100% | - | - | - | - |
| Dr. Jan Jozef Skorupa | 78% | - | - | 22% | - |
| Mr. Tang Kee Fei | 100% | - | - | - | - |
| Mr. Tay Yu-Jin | 100% | - | - | - | - |
| Mr. Paul Whiley | - | 100% | - | - | - |

The names and remuneration of the key executives (who are not also Directors) in bands of SGD 250,000.

| Key Executives | Below SGD 250k | SGD 250k-500k | SGD 500k-750k |
|--------------------------------|----------------|---------------|---------------|
| Mr. Phiboon Buakhunngamcharoen | ۲ | - | - |
| Ms. Thanyada Apichotthanachai | ۲ | - | - |
| Mr. Pattarapol Wannarat | ۲ | - | - |
| Mr. Simon Wilde | - | ۲ | - |
| Mr. Fraser Moonie | • | - | _ |

For persons who served in the capacity of a key executive (who is not also a Director) for any part of a financial period, remuneration calculated for the purposes of the above disclosure is based on a pro-forma assessment of potential full year remuneration (i.e. the remuneration that the key executive would have received if he/she had served as a key executive for the full financial period).

During the financial year that ended 31 December 2021, not all Key Executives listed above served for the full financial period. Mr. Fraser Moonie's term of employment commenced on 5 August 2021.

Breakdown (in percentage terms) of each key executive's remuneration earned through [1] base/fixed salary, [2] variable or performance-related income/bonuses, [3] benefits in kind, and [4] stock options granted and other long-term incentives.

| Key Executives | [1] | [2] | [3] | [4] |
|--------------------------------|------|-----|-----|-----|
| Mr. Phiboon Buakhunngamcharoen | 87% | - | 13% | - |
| Ms. Thanyada Apichotthanachai | 90% | - | 10% | - |
| Mr. Pattarapol Wannarat | 100% | - | - | - |
| Mr. Simon Wilde | 100% | - | - | - |
| Mr. Vincent Siaw | 100% | - | - | - |
| Mr. Fraser Moonie | 100% | - | - | - |

The aggregate remuneration paid to the above key management personnel (who are not Directors) for financial year ended 31 December 2021 was SGD 1,364,394.00.

In relation to Provision 8.1(a) of the Code, given the remuneration discrepancies within the industry and also across the industries, and the competitive pressures that may result from such disclosure, the Board is of the opinion that it is in the best interest of the Company not to disclose the detailed remuneration of each individual director and the CEO. The Company has instead disclosed such remuneration in bands of S\$100,000 and it is the Board's view that such disclosure would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices in relation to its directors and the CEO.

In relation to Provision 8.1(b) of the Code, the Company has disclosed the names, amounts and breakdown of remuneration of its top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key executive management personnel.

The Company is of the view that its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation is consistent with the intent of Principle 8 of the Code.

Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds SGD 100k during the year.

Not applicable. There are no employees who are immediate family members of a Director, the CEO or a substantial shareholder of the Company for the financial year ended 31 December 2021.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders. All material decisions of the Board take into relevant consideration the nature and extent of risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Internal Audit Department is independent of management and has a direct and primary reporting line to the Chairman of the Audit Committee. The Internal Audit Director assists the Audit Committee in the discharge of its duties and responsibilities by being responsible for all regulatory compliances, internal audits, corporate governance matters, and risk management systems of the Company. The Company Secretary assists in overseeing compliances with all law and regulations concerning public companies.

In line with the commitment of a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto, the Company has a Code of Business Conduct applicable to Company personnel covering a wide range of business practices and procedures. This includes, but is not limited to, compliance with laws, rules and regulations, conflicts of interests, insider trading, corporate opportunities, competition and fair dealing, discrimination and harassment, health and safety, environmental matters, record-keeping, financial controls and disclosures, confidentiality, protection and proper use of company assets, financial reporting and compliance.

The Company also has a Share-Dealing and Inside Information Policy to ensure proper access and use of Company information. The said policy sets out a prohibition on dealing in Company shares on short term considerations, prohibition on dealing in Company shares prior to release of financial results, prohibition on dealing in Company shares when in possession of inside information, prohibition on giving advice in respect of dealing in Company shares using inside information, and general obligations to observe confidentiality.

The Audit Committee has been working with the Internal Audit Department to continuously improve Mermaid's internal control systems and provides progress reports to the Board on a quarterly basis.

The Company has also set in place a Whistleblowing Policy, providing an avenue for its employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. The Whistleblowing Policy has the objective of encouraging employees to raise legitimate concerns, in confidence, about possible irregularities.

The Risk Management Committee oversees risk management standards, practices, and systems. The Risk Management Committee periodically reviews the effectiveness of the Enterprise Risk Management system within the Group and evaluates the adequacy and effectiveness of administrative, operating, and accounting controls used by the Group.

ASSURANCE STATEMENTS

The Board has received assurances from the CEO and the Chief Financial Officer that the Company's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances as at 31 December 2021.

The Board has also received assurances from the CEO and Chief Financial Officer that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2021 to address the risks that the Company considers relevant and material to its operations.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and the assurances from the CEO, the Chief Financial Officer, and relevant management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2021 to address the risks that the Company considers relevant and material to its operations.

The systems of risk management and internal controls of the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or against poor judgement in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10

The Audit Committee comprises at least three (3) Directors, all of whom are non-executive and the majority of whom, including the Audit Committee Chairman, are independent. At least two (2) members, including the Audit Committee Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee carried out its functions as stated in the Audit Committee's scope of responsibilities as set out in Principle 1 above. The Audit Committee meets with the external and internal auditors, in each case, without the presence of management, on a quarterly basis.

As at 31 December 2021, the Audit Committee held four (4) meetings. The management of Mermaid, including the CEO, Chief Financial Officer and other relevant management also participated in those meetings when invited. Mermaid's external auditors from KPMG Phoomchai Audit Limited also participated in the meetings to review Mermaid's financial statements and reports with the Audit Committee and relevant management during the financial year. Mermaid's internal auditor attended the meetings to review the internal audit activities and results with the Audit Committee during the financial year. The meeting agenda and minutes were prepared.

Apart from the above functions, the Audit Committee shall commission and review the findings of internal investigations and/or review and discuss with the external auditors any matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any applicable law, rule or regulation, which has or is likely to have a material impact on operating results and/or financial position of the Company. The Audit Committee shall also ensure that the appropriate follow-up actions are taken. In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he shall abstain from reviewing that particular transaction or voting on that particular resolution.

The Audit Committee is chaired by a chartered management accountant with relevant qualifications and experience. The Audit Committee keeps itself appraised of changes in accounting policies and guidelines through scheduled regular updates with the internal auditor and external auditor.

The Audit Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as there have been any financial interest in the auditing firm or auditing corporation.

The Company performs its own internal audit. The primary reporting line of the Internal Audit Department is the Audit Committee, which also decides on the appointment, termination and remuneration of the head of the Internal Audit Department. The Internal Audit Department and has unfettered access to all the Company's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Company. The Internal Audit Department is staffed with persons with the relevant qualifications and experience. The Audit Committee is of the view that the head of the Internal Audit Department has the relevant experience and qualifications to perform the role.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. The internal audit activities are governed itself by adherence to The Institute of Internal Auditors ("IIA") mandatory guidance.

The internal audit reports for non-compliance and internal control weaknesses which include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations are reported to the Audit Committee through periodic activity reports.

To ensure the adequacy and effectiveness of the internal audit function, the Audit Committee reviews the Internal Auditor's scope of work at least annually. Based on the reviews, the Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11

Mermaid is committed to delivering high standards of corporate disclosure and transparency in its communications with shareholders, analysts and other stakeholders. Mermaid provides regularly relevant information regarding its strategy, performance and prospects to aid shareholders and investors in their investment decisions.

The Company continues the disclosure obligations pursuant to the SGX-ST Listing Manual to provide the adequate and timely information of all major developments to the shareholders. The Company provides information to the shareholders through various channels including, but not limited to, SGXNet, Annual Reports, Notice of AGMs and its corporate website.

The Company is committed to strengthening its relationship with the investment community and believes in timely and consistent disclosure of pertinent information to enable a transparent assessment of the Company's value. The Company values dialogue with shareholders, and holds analyst briefings following announcement of its financial results.

The Company's website is an important source of information for shareholders and the investment community. Quarterly results announcements, news releases, presentation slides, annual reports and other key facts and figures about the Company are available on the corporate website at www.mermaid-group.com.

SHAREHOLDER MEETINGS

At the general meeting, the shareholders have the opportunity to participate and vote on the resolutions. A notice, agenda, voting procedures and papers are sent to the shareholders as well as released on SGXNet prior to the meetings. Proxy can be given by the shareholders to attend the meetings.

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with all shareholders. All shareholders will receive the notice of AGM, which is also advertised on the newspapers and issued via SGXNet. The Board welcomes questions and comments relating to the Group's business or performance from shareholders at AGMs. Shareholders are given the opportunity to air their views and direct questions to the Board on matters affecting the Group.

The Company does not practise bundling of resolutions at general meetings. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company expects all Directors, including the Chairman of the Board Committees, and senior management, to be present at all general meetings to address shareholders' queries. External auditors will also be present at such meeting to assist the Directors to address any relevant queries from the shareholders, if necessary. At AGM No. 01/2021 held on 29 April 2021, all Directors were in attendance, either in person or via teleconference.

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

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

DIVIDENDS

On 28 February 2021, due to the consolidated net losses of the Company and in order to preserve financial resources to support a potential business turnaround, among other things, the Board of Directors proposed that no dividends shall be declared to the shareholders for the financial year ended 31 December 2020. Subsequently, at AGM No. 01/2021 dated 29 April 2021, the shareholders present had unanimously approved that no dividends be declared to the shareholders for the financial year ended 31 December 2020.

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

COMMUNICATION WITH SHAREHOLDERS

Principle 12

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

To provide equal participation opportunity for all shareholders, each year the Company organizes a Shareholders Forum in Singapore. At this event, the shareholders (including the Depositors), particularly those based in Singapore, would be given the opportunity to meet with Board members and key executives of the Company. At each Shareholders Forum, the Company delivers a presentation to update shareholders on Mermaid's progress over the past year and provide adequate time to shareholders to address queries and concerns about Mermaid. Due to the novel coronavirus disease 2019 ("Covid-19") pandemic, the Company did not organize Shareholders Forum in Singapore in 2021.
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On 31 July 2013, Rule 730A and Practice Note 7.5 of the Listing Manual of the SGX-ST was introduced. Rule 730A(1) and Practice Note 7.5 require (unless exempted by the Singapore Exchange) an issuer with a primary listing on the Singapore Exchange to hold its general meeting of shareholders in Singapore unless there are legal constraints preventing them from doing so, and such issuer should provide alternative modes of engagement such as webcast and information meetings so that public shareholders have access to the board and senior management.

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

MEETINGS VIA ELECTRONIC MEDIA

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

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

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

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

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

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

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13

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

SUSTAINABILITY REPORTING

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

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



1. SHAREHOLDER BASE AND VOTING RIGHTS

As at 31 December 2021, the statistics of shareholdings of Mermaid Maritime Public Company Limited ("Mermaid" or "Company") are as follows:

| Number of Authorised Shares | 1,416,700,697 |
|-----------------------------------|--|
| Number of Issued Share | 1,413,328,857 |
| Issued and Fully Paid Up Capital | Thai Baht 1,413,328,857 |
| Treasury Shares | None |
| Number of Shareholders | 4,250 |
| Class of Shares and Voting Rights | Ordinary shares with equal voting rights |

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

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

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

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

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

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

2. DISTRIBUTION OF SHAREHOLDINGS

As at 31 December 2021, the distribution of ordinary shares amongst all shareholders was as follows:

| No. of Shares | No. of Shareholders | % | Number of Shares | % |
|---------------------|---------------------|--------|------------------|--------|
| 1 - 99 | 204 | 4.80 | 2,798 | 0.00 |
| 100 - 1,000 | 196 | 4.61 | 159,198 | 0.01 |
| 1,001 - 10,000 | 1,440 | 33.88 | 9,396,550 | 0.67 |
| 10,001 - 1,000,000 | 2,376 | 55.91 | 182,187,989 | 12.89 |
| 1,000,001 and above | 34 | 0.80 | 1,221,582,322 | 86.43 |
| Total | 4,250 | 100.00 | 1,413,328,857 | 100.00 |

3. DETAILS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2021, the names of substantial shareholders and a breakdown of their direct and deemed interests as recorded in Mermaid's register of substantial shareholders were as follows:

| Name | Direct | Deemed | Total |
|--|------------------------|-------------|------------------------|
| Thoresen Thai Agencies Public | 700,000,000 | 122,908,013 | 822,908,013 |
| Company Limited ("TTA") (see Note 1) | (49.53%) | (8.69%) | (58.22%) |
| Soleado Holdings Pte. Ltd. ("Soleado") | 102,509,593 (7.25%) | _ | 102,509,593 (7.25%) |
| Mr. Chalermchai Mahagitsiri (see Note 2) | 150,461,660 | 822,908,013 | 973,369,673 |
| | (10.65%) | (58.22%) | (68.87%) |
| Mr. Prayudh Mahagitsiri (see Note 3) | 55,081,582 | 63,588,647 | 118,670,229 |
| | (3.90%) | (4.50%) | (8.40%) |

- Note 1: TTA's deemed interest arises from the shares in the Company held by its wholly owned subsidiaries Soleado and Athene Holdings Ltd. ("Athene"). Athene is the registered holder of 20,398,420 ordinary shares (1.44%) in the Company.
- Note 2: Mr. Chalermchai Mahagitsiri was the registered holder of 271,919,159 ordinary shares (14.92%) in TTA and 150,000,000 ordinary shares (8.23%) were also registered under his custodian account in TTA. His associates are Ms. Ausana Mahagitsiri who is a registered holder of 99,866,937 ordinary shares (5.48%) in TTA, Ms. Suvimol Mahagitsiri who is the registered holder of 7,771,823 ordinary shares (0.43%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 6,475,758 ordinary shares (0.36%) and under his custodian account of 22,620,770 (1.24%) in TTA. The combined interest of Mr. Chalermchai Mahagitsiri and his three above mentioned associates in TTA is therefore 558,654,377 ordinary shares (30.66%).

Accordingly, Mr. Chalermchai Mahagitsiri has a deemed interest in the 700,000,000 shares, 102,509,593 shares and 20,398,420 shares held in aggregate by TTA, Soleado and Athene in the Company, respectively.

Note 3: Mr. Prayudh Mahagitsiri has a deemed interest in the 63,588,647 shares held by Ms. Ausana Mahagitsiri by virtue of Section 4 of the Securities and Futures Act.

4. TOP 20 LARGEST SHAREHOLDERS

As at 31 December 2021, the twenty (20) largest holders of ordinary shares and the number of shares held by such shareholders in Mermaid on record with the share registry as registered with the Thai Ministry of Commerce together with depositors whose security accounts with Central Depository (Pte.) Ltd. hold shares of Mermaid were as follows:

| No. | Name | Shares | % | Culm. % |
|-----|---|-------------|-------|---------|
| 1 | THORESEN THAI AGENCIES PLC. | 700,000,000 | 49.53 | 49.53 |
| 2 | RAFFLES NOMINEES(PTE) LIMITED | 142,819,314 | 10.11 | 59.64 |
| 3 | CITIBANK NOMS SPORE PTE LTD | 82,101,561 | 5.81 | 65.45 |
| 4 | SOLEADO HOLDING PTE. LTD. | 81,824,634 | 5.79 | 71.24 |
| 5 | DBS NOMINEES PTE LTD | 70,604,147 | 5.00 | 76.24 |
| 6 | ATHENE HOLDINGS LTD. | 20,398,420 | 1.44 | 77.68 |
| 7 | OCBC SECURITIES PRIVATE LTD | 17,692,258 | 1.25 | 78.93 |
| 8 | DBS VICKERS SECURITIES (S) PTE LTD | 16,804,346 | 1.19 | 80.12 |
| 9 | UOB KAY HIAN PTE LTD | 11,637,600 | 0.82 | 80.94 |
| 10 | BNP PARIBAS NOMS SPORE PL | 9,566,200 | 0.68 | 81.62 |
| 11 | PHILLIP SECURITIES PTE LTD | 7,814,800 | 0.55 | 82.17 |
| 12 | MAYBANK KIM ENG SECURITIES PTE.LTD | 6,626,200 | 0.47 | 82.64 |
| 13 | LIM AND TAN SECURITIES PTE LTD | 6,171,700 | 0.44 | 83.08 |
| 14 | IFAST FINANCIAL PTE LTD | 5,196,700 | 0.37 | 83.45 |
| 15 | SOLEADO HOLDINGS PTE LTD | 4,922,759 | 0.35 | 83.80 |
| 16 | ANG AH LEK @AN AH LEK | 4,000,000 | 0.28 | 84.08 |
| 17 | CGS-CIMB SECURITIES (SINGAPORE) PTE LTD | 3,978,456 | 0.28 | 84.36 |
| 18 | LEE GEOK HWA | 3,363,500 | 0.24 | 84.60 |
| 19 | ABN AMRO CLEARING BANK N.V. | 3,238,700 | 0.23 | 84.83 |
| 20 | UNITED OVERSEAS BANK NOMINEES P L | 2,505,300 | 0.18 | 85.01 |

5. MERMAID SHARES HELD BY DIRECTORS

As at 31 December 2021, the direct and deemed interests of each Director of Mermaid in Mermaid's ordinary shares and its percentage of issued share capital were as follows:

| Name | Direct | % | Deemed | % |
|-----------------------------|-------------|--------|-------------|-------|
| Mr. Prasert Bunsumpun | None | n/a | None | n/a |
| Mr. Chalermchai Mahagitsiri | 150,461,660 | 10.65 | 822,908,013 | 58.22 |
| Mr. Tang Kee Fei | None | n/a | None | n/a |
| Mr. Tay Yu-Jin | None | n/a | None | n/a |
| Mr. Paul Whiley | None | n/a | None | n/a |
| Dr. Jean Paul Thevenin | None | n/a | None | n/a |
| Dr. Jan Jozef Skorupa | 80,000 | 0.0057 | None | n/a |

Pursuant to Rule 1207(7) of the SGX-ST Listing Manual, the direct and deemed interest of each Director of Mermaid in Mermaid's ordinary shares as at the 21st day after the end of the financial year i.e. 21 January 2021 is also as set out above. The Company has no convertible securities.

6. SHAREHOLDING HELD BY PUBLIC

As at 31 December 2021, the percentage of ordinary shares held in the hand of the public was 22.73%. This is in compliance with Rule 723 of the SGX-ST Listing Manual which requires that more than 10.00% of ordinary shares in Mermaid to be at all times held by the public.

7. TREASURY SHARES

Mermaid has no treasury shares.

8. MATERIAL CONTRACTS INVOLVING INTERESTED PERSONS

There were no material contracts of Mermaid or its subsidiaries involving the interests of the Mermaid's Chief Executive Officer, each Director of Mermaid, or any of the controlling shareholders of Mermaid, entered into during the financial year ended 31 December 2021 or still subsisting as at 31 December 2021.

9. DEALINGS IN SECURITIES

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

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

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

10. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2021, there were no material discrepancies between the preliminary final results and the audited accounts in this Annual Report for the following: (a) Statement of Comprehensive Income; (b) Statement of Financial Position; and (c) Statement of Cash Flows.

Audit fee paid to KPMG Phoomchai Audit Ltd. ("KPMG") and its relevant affiliated audit entities for audit of the Company and its relevant subsidiaries during the financial year ended 31 December 2021 amounted to US Dollars 185,780 (one hundred eighty-five thousand seven hundred and eighty United States Dollars).

Non-audit fee paid to KPMG and its relevant affiliated audit entities during the financial year ended 31 December 2021 amounted to US Dollars 38,774 (thirty-eight thousand seven hundred and seventy four United States Dollars). This was for work related to tax advice and tax filing. The Audit Committee had reviewed these transactions and was of the opinion that these transactions did not affect the independence of KPMG conducting the audit of the Company and its relevant subsidiaries and did not affect the independence of their audit signatory's review and certification of the Company's separate financial statements and the Company and its subsidiaries' consolidated financial statements for the financial year ended 31 December 2021.

| | Group | | |
|--------------------------------|---------|---------|--|
| | 2021 | 2020 | |
| | USD | USD | |
| Audit fees: | · | | |
| - Auditors of the Company | 185,780 | 204,477 | |
| - Other auditors | 29,578 | 16,045 | |
| Non-audit fees: | | | |
| - Auditors of the Company | 38,774 | 20,445 | |
| - Other auditors | 111,459 | 59,956 | |
| Total audit and non-audit fees | 365,591 | 300,923 | |

11.APPOINTMENT OF AUDITOR

Auditors from KPMG were reappointed by a resolution of the Company's shareholders on 29 April 2021 to audit the Company's separate financial statements and the Company and its subsidiaries' consolidated financial statements for the financial year ended 31 December 2021.

The following names are audit partners whom were appointed to engage in the audit of the consolidated and separate Company financial statements for the financial year ended 31 December 2021:

| 1. | Mr. Veerachai Ratanajaratkul | CPA License No. 4323 |
|----|--------------------------------|-----------------------|
| 2. | Ms. Siripen Sukcharoenyingyong | CPA License No. 3636 |
| 3. | Mr. Watchara Pattarapitak | CPA License No. 6669 |
| 4. | Mr. Piyanat Singkhorn | CPA License No. 11641 |

Ms. Siripen Sukcharoenyingyongwas the audit partner in charge of auditing and expressed her opinion on the consolidated and separate Company financial statements for the financial year ended 31 December 2021.

KPMG and its relevant affiliated audit entities was appointed to audit all of the Company's significant subsidiaries for the financial year ended 31 December 2021 except for Singapore-based subsidiaries, which was audited by Thong & Lim, certified public accountants based in Singapore. Mermaid's Board and Audit Committee were satisfied that the appointment of Thong & Lim as auditor of the said subsidiaries did not compromise the standards and effectiveness of the audit of Mermaid on a consolidated basis.

For the purposes of the preceding paragraph, an entity is significant if its net tangible assets represent 20% or more of the Company's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the Company's consolidated pre-tax profits.

In appointing the auditing firms for the Company, subsidiaries and significant associated companies, Mermaid has complied with Rule 712 and Rule 715 or 716 of the SGX-ST Listing Manual.

12.INTERESTED PERSON TRANSACTIONS

Mermaid has no interested person transactions for the financial year ended 31 December 2021 pursuant to Rule 907 of the SGX-ST Listing Manual.

13. USE OF RIGHTS ISSUE AND PRIVATE PLACEMENT PROCEEDS

In 2013, Mermaid conducted a Rights Issue and Private Placement of its shares. Mermaid's total proceeds received from the Rights Issue of its shares was US Dollars 126.37 million after deduction of issuing costs. Mermaid's total proceeds received from the Private Placement of its shares was US Dollars 12.78 million after deduction of issuing costs. The total accumulative proceeds received from the said Rights Issue and Private Placement of its shares in 2013 was therefore USD 139.15 million.

The total actual accumulative uses of Rights Issue and Private Placement proceeds as at 31 December 2021 was US Dollars 105.34 million, or 75.71% of the Rights Issue and Private Placement proceeds and is summarized as follows:

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

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

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

As at 31 December 2021, the registered capital of Mermaid was Baht 1,416,700,697. This is represented by 1,416,700,697 ordinary shares with a par value of Baht 1 each. The issued and paid-up capital was Baht 1,413,328,857 represented by 1,413,328,857 ordinary shares with a par value of Baht 1 each.

The difference between the Company's registered capital and issued and paid-up capital is therefore Baht 3,371,840 ordinary shares with a par value of Baht 1 each. These registered but unissued ordinary shares were reserved for the allocation and exercise of share options under the Company's Employee Share Option Plans ("ESOPs"). As at 31 December 2021, all share options under the Company's ESOPs have expired. The balance of 3,371,840 registered but unissued ordinary shares cannot be applied for any other purpose and shall therefore remain unallocated.

15.RETIREMENT SCHEDULE OF DIRECTORS

| No. | Name of Directors | First Appointed | Last Appointed | Expiry Date |
|-----|-----------------------------|-----------------|----------------|-------------|
| 1. | Mr. Tang Kee Fei | 25 Apr 2017 | 29 Apr 2020 | AGM 2023 |
| 2. | Mr. Chalermchai Mahagitsiri | 19 Jun 2012 | 29 Apr 2020 | AGM 2022 |
| 3. | Mr. Paul Whiley | 11 Nov 2021 | - | AGM 2023 |
| 4. | Dr. Jan Jozef Skorupa | 21 Oct 2013 | 29 Apr 2021 | AGM 2023 |
| 5. | Mr. Prasert Bunsumpun | 19 Jun 2012 | 29 Apr 2021 | AGM 2023 |
| 6. | Dr. Jean Paul Thevenin | 28 Jan 2013 | 29 Apr 2021 | AGM 2023 |
| 7. | Mr. Tay Yu-Jin | 26 Apr 2016 | 23 Apr 2019 | AGM 2022 |

The table below sets out the retirement dates of the Directors, pursuant to the Articles of Association of the Company.

16.DETAILS OF EMPLOYEE SHARE OPTION PLANS

Mermaid recognises that the contributions and continued dedication of its executives and employees are significant to its future growth and development. The employee share option plans ("ESOPs") were offered by Mermaid to advance the best interests of the Group by providing employees of the Group (including Executive Directors and non-Executive Directors) with additional incentives through the grant of options ("Options") based on the performance of the Group.

The ESOPs are share incentive plans the implementation of which enabled Mermaid to recognise the contributions made by the participants by introducing a variable component into their remuneration package in the form of Options. The ESOPs also provided an opportunity for each participant to participate in the equity of Mermaid and will provide a further incentive for the participants to strive for greater long-term growth and profitability for the Group. Mermaid believes the ESOPs help to attract, motivate and retain key executives and reward them for achievement of pre-determined targets which create and enhance economic value for the shareholders.

Mermaid's first ESOP was approved by Mermaid's shareholders on 11 July 2007 ("ESOP 2008"). Allocation of Options pursuant to ESOP 2008 was made on 20 November 2008 and all remaining Options expired on 20 November 2013.

Mermaid's second employee share option plan was approved by Mermaid's shareholders on 29 January 2009 ("ESOP 2009"). Allocation of Options pursuant to ESOP 2009 was made on 16 November 2009 and all remaining Options expired on 16 November 2014.

Mermaid's third employee share option plan was approved by Mermaid's shareholders on 28 January 2010 ("ESOP 2010"). Allocation of Options pursuant to ESOP 2010 was made on 1 December 2010 and all remaining Options expired on 1 December 2015.

Mermaid's fourth employee share option plan was approved by the Mermaid's shareholders on 25 January 2011 ("ESOP 2011"). Allocation of Options pursuant to ESOP 2011 was made on 15 December 2011 and all remaining Options expired on 15 December 2016.

Details of ESOP 2008, ESOP 2009, ESOP 2010 and ESOP 2011 have been disclosed in previous Annual Reports. Subsequent to these plans, there has been no additional ESOPs proposed and none remain active to date.

17.LAND, BUILDINGS AND KEY MOVABLE ASSETS

As at 31 December 2021, land and buildings owned by Mermaid were as follows:

| | | | Calendar Year | Millic | on USD | |
|-----|-------------|---|---------------|--------|-------------------|------------------|
| No. | Description | Location | Purchase Year | Cost | Net Book Value | Ownership |
| 1. | Land | Pinthong Industrial Estate, Chonburi, Thailand | 2003 | 0.59 | 0.59 | Freehold |
| 2. | Land | Laem Chabang, Chonburi, Thailand | 2001 | 0.25 | 0.25 | Freehold |
| 3. | Buildings | Built on land at no. (1) above | 2005 | 4.51 | 0.68 | On freehold land |

The land and buildings at (1) and (3) were used as offices and mortgaged to secure short-term facilities with financial institutions while the land at (2) remained vacant land and held for investment purposes.

As at 31 December 2021, Mermaid's key movable assets were five (5) vessels owned by its subsidiaries and affiliates as follows:

| | Name of Vessels/Rigs | Calendar Year | | Million USD | |
|-----|----------------------|---------------|---------------|-------------|----------------|
| No. | | Build Year | Purchase Year | Cost | Net Book Value |
| | Mermaid Endurer | 2010 | 2010 | 105.86 | 51.19 |
| 2. | Mermaid Asiana | 2010 | 2010 | 92.98 | 50.24 |
| 3. | Mermaid Sapphire | 2009 | 2009 | 37.87 | 17.88 |
| | Mermaid Challenger | 2008 | 2008 | 19.83 | 0.50 |
| 0. | Mermaid Commander | 1987 | 2005 | 36.57 | 1.74 |

The net book values presented in the table above represent post-asset impairment values for such assets for the financial year ended 31 December 2021.

'Mermaid Endurer', 'Mermaid Asiana', 'Mermaid Sapphire', 'Mermaid Challenger' and 'Mermaid Commander' are owned by Mermaid Subsea Services (Thailand) Ltd.

18.DIRECTORS' AND EXECUTIVE OFFICERS' FORM OF UNDERTAKING

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company is required to procure undertakings from all of its Directors and Executive Officers to, among other things, comply with the listing rules of the SGX-ST. Such undertaking shall be in a form prescribed by the SGX-ST.

As at 31 December 2021, the Company remains in compliance with this requirement and shall continue to comply with this requirement on a continuing basis.

19. MINIMUM TRADING PRICE COMPLIANCE

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

As at 31 December 2021, the Company's share price closed at SGD 0.071 and its market capitalization is SGD 100.35 million. The Company has also not experienced an average daily market capitalization of less than SGD 40 million over the last six (6) months. Therefore, Company is in compliant with this Minimum Trading Price ("MTP") requirement.

20.ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following Directors shall be seeking re-election at the next Annual General Meeting of Shareholders No. 01/2022 of the Company: Mr. Chalermchai Mahagitsiri, Mr. Paul Whiley and Mr. Tay Yu-Jin.

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

(a) MR. CHALERMCHAI MAHAGITSIRI

| Date of appointment | 19 June 2012 |
|--|---|
| Date of last re-appointment (if applicable) | 29 April 2020 |
| Age | 43 |
| Country of principal residence | Thailand |
| The Board's comments on this appointment on this re-election/appointment | After reviewing the recommendation of the Nomination Committee and Mr. Mahagitsiri's qualifications and experience (as set out below), the Board has approved that he stands for re-election as an Executive Director. |
| | Mr. Mahagitsiri will, upon his re-election, continue to serve as Executive Vice Chairman and a member of the Executive Committee and Risk Management Committee. |
| Whether the appointment is executive, and if so, the area of responsibility | Non-executive |
| Job Title | Executive Vice Chairman Member of the Executive Committee Member of the Risk Management Committee |
| Professional qualifications | M.Sc. (Finance), Boston University B.Sc. (Finance), Suffolk University |
| Working experience and occupation(s) during the past 10 years | 2012-Present President and CEO, Thoresen Thai Agencies Plc. 2005-Present CEO, PM Group Co., Ltd. |
| Shareholding interest in the listed issuer and its subsidiaries | 10.65% direct and 58.22% deemed shareholding interest |
| | Mr. Mahagitsiri is a major shareholder and President and CEO of Thoresen Thai Agencies Plc., a substantial shareholder. |
| Conflict of interest (including any competing business) | None |
| Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer | Yes |
| Other principal commitments (as defined in the Code) including directorships for the past 5 years | |

| Other principal commitments (as defined in the Code) including directorships at present | - |
|--|---|

Thor Friendship Shipping Pte. Ltd. Thoresen Shipping Company Pte. Ltd. PM Thoresen Asia (Singapore) Pte. Ltd. Baconco Co., Ltd. Thoresen (Indochina) S.A PM Quality Food and Beverage Co., Ltd. Thoresen Shipping Singapore Pte. Ltd. Mermaid Drilling Co., Ltd. Asia Offshore Drilling Ltd. Mermaid Subsea Services (Thailand) Co., Ltd. Four One One (411) FUN Co., Ltd. MTR-2 Co., Ltd. Mermaid Subsea Services (International) Ltd. Coffee Gallery Co., Ltd. Soleado Holdings Pte. Ltd. Phaholyothin Garden Co., Ltd. Mountain Creek Development Co., Ltd. M Creek Land Co., Ltd. Sak Chaisidhi Co., Ltd. Four One One Entertainment Co., Ltd. PM Group Co., Ltd. PM Corp Co., Ltd. Lakewood Kitchen Co., Ltd. ACME Camps Co., Ltd. Lakewood Country Club Co., Ltd. Lakewood Land Co., Ltd. Quality Coffee Products Co., Ltd.

(b) MR. TAY YU-JIN

| 26/04/2016 |
|---|
| Not Applicable |
| 47 |
| Singapore |
| The shareholders considered the recommendation of the Board and reviewed Mr. Tay Yu-Jin's qualifications, experience and expertise and is of the opinion that his continued appointment as an Independent Non-Executive Director will be beneficial to the Company and the shareholders. The Board, having considered Mr. Tay's qualifications, work experience, capabilities and other relevant factors, appointed Mr. Tay as a member of the Nomination Committee. |
| This is a non-executive appointment. |
| Independent Non-Executive Director, Member of the Nomination Committee |
| Bachelor's Degree (Law, English), University of Natal Bachelor's Degree (Sociology), University of South Africa |
| |

| Working experience and occupation(s) during the past 10 years | Jan 2016 - Present |
|--|--|
| | Partner & Head, International Arbitration (Asia)Partner & Head, International Arbitration (Asia) Mayer Brown |
| | Partner & Global Co-Chair of International Arbitration (Asia) DLA Piper January 2013 - Present |
| | Counsel & Head of International Arbitration (Asia) Shearman & Sterling LLP 2004 - 2012 |
| Shareholding interest in the listed issuer and its subsidiaries | 403,200 |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries) | Nil. |
| Conflict of interest (including any competing business) | None. |
| Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer | Yes. |
| Other principal commitments (as defined in the Code) including directorships for the past 5 years | Nil. |
| Other principal commitments (as defined in the Code) including directorships at present | Nil. |

(c) MR. PAUL WHILEY

| Date of appointment | 11/11/2021 |
|---|---|
| Date of last re-appointment (if applicable) | Not Applicable |
| Age | 53 |
| Country of principal residence | United Arab Emirates |
| The Board's comments on this appointment on this re-election/appointment | The Shareholders, on the recommendation of the Board, having considered Mr. Whiley's qualifications, networks, experience and proven track record, is of the view that he has the requisite experience and capabilities to continue to assume the responsibilities of Executive Director of the Company. He shall also serve as a member of the Executive Committee. |
| Whether the appointment is executive, and if so, the area of responsibility | This is an appointment to the Board of Directors and the Executive Committee of the Company. This appointment is in addition to his current position as Chief Operating Officer of the Company. |
| Job Title | Executive Director and Member of the Executive Committee |
| | |

| Professional qualifications | Bachelor's Degree (Law, English), University of Natal Bachelor's Degree (Sociology), University of South Africa |
|--|---|
| Working experience and occupation(s) during the past 10 years | Aug 2020 - Present Chief Operating Officer Mermaid Maritime Public Company LimitedJan 2017 - Aug 2020 Chief Executive Officer James Fisher Marine Services Middle East Limited FZCOAug 2012 - Aug 2016 Executive Vice President, Subsea Services Mermaid Maritime Public Company LimitedPrior to Aug 2012 |
| Shareholding interest in the listed issuer and its subsidiaries | 403,200 |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries) | |
| Conflict of interest (including any competing business) | None. |
| Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer | Yes. |
| Other principal commitments (as defined in the Code) including directorships for the past 5 years | Director, Mermaid Subsea Services LLC; Director, Zamil Mermaid Offshore Services Company LLC; Chairman, Subtech Offshore Services Nigeria Ltd.; and Chairman, Murjan Al Sharq for Marine Contracting LLC Chairman, Kingston Stables (Pty) Ltd. |
| | Manager, Mermaid Subsea Oil and Gas Services DMCEST Manager, Mermaid Subsea Services (International) Ltd. Abu Dhabi Branch Director, Mermaid Subsea Services Saudi Arabia Co., Ltd. Director, Mermaid Subsea Services (International) Ltd. Director, Seascape Surveys Pte. Ltd. Director, Mermaid Subsea Services (Thailand) Ltd. Director, Mermaid Drilling Ltd. Director, MTR-1 Ltd. Director, MTR-2 Ltd. Chairman, North Sands Holdings (Pty) Ltd. |



| | СМ | TYJ | PW |
|--|----|-----|----|
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No |
| | | | |

| | СМ | TYJ | PW |
|---|----|-----|----|
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: | | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No | No |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No | No | No |
| in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | | |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No | No |

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BUSINESS HIGHLIGHTS

Mermaid Maritime PCL("Mermaid") is a Thailand-based subsea services company. The Company offers subsea engineering, survey and inspection by divers and remotely operated vehicle ("ROV") systems and ownership and operations of a fleet of offshore service vessels.

Mermaid's majority shareholder, Thoresen Thai Agencies Public Company Limited ("TTA") holds a 58.22% stake as of 31 December 2021. Mermaid, commenced its operations in 1983, was partially acquired by TTA in 1995 and was successfully listed on the Singapore Stock Exchange ("SGX") on 16 October 2007.

Mermaid is a leading international subsea services company in service of major oil and gas companies or their contractors. Our corporate headquarters are in Asia (Thailand). We have operational bases in South East Asia, Africa, the United Kingdom and the Middle East.

Mermaid provides full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. We have been in the offshore business for over 38 years, and we are today present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff. Our vision is to be a premium service provider to the offshore oil and gas and Renewables industry and to constantly deliver enhanced returns to our shareholders.

As a result of the challenging outlook across the oil and gas space, a two-pronged strategy continues to be implemented by Mermaid's strengthened senior management team. This takes into account both a short-term / tactical approach ("Strengthening our Core") and a longer term vision ("Positioning for Growth"), that will ensure our ability to continue to build sustained shareholder value.

Strengthening our Core: In reciprocity to our "Strengthening our Core" strategy, we prioritize safeguarding our home market and streamlining our internal processes. Striving to provide a higher quality service, at optimum cost in a shorter time, Mermaid and AI and Robotics Ventures Co., Ltd., a subsidiary of PTT Exploration and Production Pcl., have set up a Joint Venture "ZeaQuest Co., Ltd.". The newly formed partnership aims to develop robotics and artificial intelligence technology to provide commercial subsea engineering services to oil and gas companies, and renewable energy corporates operating in offshore businesses, both in Asia and other regions. Thus, we continue to keep exploring and generating more activities and revenue on the back of this new momentum in the region.

Positioning for Growth: In adhering to our "Position for Growth" strategy, we are progressively looking for any new window of emerging demand. With various potential opportunities in the decommissioning market, we have established an Offshore Transportation, Installation (T&I) and Decommissioning services business unit as part of its diversification for growth strategy. Foundational to this turnaround, was aggressive business development in the key world Oil & Gas markets of the United Kingdom, Africa, Middle East and APAC. Added to this, the re-establishment, after a period of dormancy, of the Cable & Flex Lay Division realised significant lump sum turnkey project awards in 2021. The 50% purchase of the Millennium 3, in addition to significant investments in cable and flex lay installation equipment, further reinforces this momentum swing for the Group with this division as a key enabler to the future.

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

1. SERVICES AND FLEET STRUCTURE

MERMAID SUBSEA SERVICES GROUP

Subsea Services

Our business activities focus on diving and remote intervention by manned and unmanned submersibles ("ROV") with world first autonomous underwater vehicle ("AUV") and subsea flowline control and repair ("SFCR") vehicles being developed. Its Subsea Division is represented by Mermaid Subsea Services (Thailand) Ltd. and Mermaid Subsea Services (International) Ltd. Both subsea units are integrated and operate under the same brand "Mermaid Subsea Services". A wide range of subsea engineering services are provided, including subsea installation engineering, offshore decommissioning, inspection, repair and maintenance, construction and installation support, commissioning, cable and coil-able hard pipe laying projects.

As of 31 December 2021, the subsea fleet consists of 6 subsea support vessels, 3 of which are specialized dive support vessels and one a specialized shallow water cable- and flex-lay vessel, and 13 ROV systems, including deep water and ultra-deep-water heavy construction class systems. Apart from its key assets, the Subsea Division has a workforce up to 500 professional engineers, divers, technicians, surveyors, HSE personnel, marine personnel and support staff to work on its subsea engineering projects in addition to a permanent workforce.

Fleet Services

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

| | | Calendar Year | | |
|-----|--------------------|---|---------------------------|------------------|
| No. | Name of Vessels | Vessel Type | Build Year/ Conversion | Purchase Year |
| 1. | Mermaid Endurer | DP2 Dive Support Vessel | 2010 | 2010 |
| 2. | Mermaid Asiana | DP2 Dive Support Vessel | 2010 | 2010 |
| 3. | Mermaid Commander | DP2 Dive Support Vessel | 1987 | 2005 |
| 4. | Mermaid Sapphire | DP2 ROV Support Vessel | 2009 | 2009 |
| 5. | Mermaid Challenger | General Utility Vessel | 2008 | 2008 |
| 6. | Millennium 3 | Special Utility Vessel | 2011/2018 | 2021 |
| 7. | Resiliant | Derrick Pipe Lay Barge / Accommodation | 2005 | 2022 |

Subsea Fleet List

The following details the Subsea Division's core services:

| Exploration services | Pre-installation surveys, rig positioning and installation assistance, subsea equipment maintenance. |
|----------------------|--|
| Development services | Installation of subsea flexible pipelines, flow lines, control umbilical's, manifolds, risers, pipe lay and burial, installation and tie-in of riser and manifold assembly, commissioning, testing, and inspection, offshore decommissioning, SURF and cable lay and connection. |
| Production services | Inspection, maintenance, and repair of production structure, risers, pipelines, and subsea equipment. |

2. MARKETING AND COMPETITION

SUBSEA SERVICES CLIENTS

Major National and International oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms trust Mermaid as their partner in our regional markets of Middle East and South East Asia. Clients in the Middle East remain the major contributor to Mermaid's business. A key diving contract secured in 2013 through the Company's Middle East joint venture, Zamil Mermaid Offshore Services Co. (LLC), Mermaid continues to buoy Mermaid's revenues and returns, and will continue to do so until end of 2022 after securing a three-year contract extension in 2019. Mermaid's strategy "Positioning for growth" is expected to place regional market expansion into other markets for the Subsea Division such as the United Kingdom, Africa and the Mediterranean over the next few years. Maximizing vessel utilization continues as one of the top priorities while at the same time, cross selling of services through the value chain and longer contract durations in growth areas e.g. East Africa, UK, South East Asia, and the Middle East remains a core focus.

COMPETITION

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

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

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



INDUSTRY OUTLOOK

1. 2021/2022 - FAST REBOUND FROM PANDEMIC WITH OPEC SUPPORT

The global energy demand and supply pattern has been greatly disrupted by COVID-19 pandemic. Whilst there was some recovery in the global economy from mid 2020, the uncertainty still remains going forward but it may be that the pandemic has entered the endemic phase. Meanwhile the Organization of Petroleum Exporting Countries (OPEC) and its partner countries (OPEC+) decided on a stepped increase plan in oil production as of January 2021, already lower increases than were initially envisaged, this plan is now in action and is adjusted monthly in order to match Global demand.

2. THE OFFSHORE OIL AND GAS SECTOR

While the oil price has rebounded, the uncertainty still remains due to reduced activities precipitated by COVID-19 and the ever present risk of geopolitical tensions causing upward spikes in the price. Mermaid will be taking an aggressive position in strengthening the core business, and diversifying portfolio to cope with new fast and ever changing era.

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

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

(Source: Rystad Energy, iea.com and everoze.com)

SUBSEA SERVICES

1. THE SUBSEA MARKET

The outlook for subsea service providers, though shaken by the Global pandemic in the past 24 months, continues to be positive on a longer-term basis. Significant changes in the market growth and market competition landscape were inevitable and are now playing out. However, new projects are being sanctioned, as evidenced by Mermaid's significant project awards, despite the extreme low point the market finds itself in. Delayed maintenance will force the hand of field operators, thereby unlocking spend in that market segment and soaking up the associated tonnage which bodes well for the Mermaid Group, as it readies itself to respond:

- Saudi has plans to invest USD 440 billion on the Eastern Seaboard in various projects up to 2025;
- Qatar has plans to invest USD 27 Billion in Oil & Gas Sector;
- West African market has allocated budgets of additional USD 123 Billion towards the Subsea Sector, in addition to Mozambique (whilst on hold at the moment) USD 46.7 Billion for Subsea Projects.
- UK market with USD 270 million backlog in DSV works for Q4 2021 and into FY 2022 with uptick in market rates and decommissioning spend to 2025 projected at USD 23.8 billion.

The subsea vessel market has been affected by COVID-19 from mid-2020, and most companies are already operating at low margins amid the uncertainty, effectively just chasing contribution in order to weather the situation. With the fast rebound in crude prices in 2021 and with Brent Crude levels range bound between US\$60 to US\$75 since January 2021 it is hard to perceive a further sharp or definite decline off the levels of the current situation.

It is documented that the general subsea vessel market has been operating at over capacity for years. While the trend continues in some market segments, some of those issues has been mitigated by scrapping, or cold stacking which has in any event rendered many older units unserviceable going forward. In the specialist DSV market however, there is an extreme shortage of available tonnage and the forecast of future works for DSV's in on the increase worldwide and the demand for DSV's for 2022 and beyond has not been higher since 2014. There has been a 32% reduction in the active DSV fleet between 2017 and 2021 with this tighter market favoring owners and operators. With IOC's and NOC's having a strong preference for younger units continued scrapping of older units will continue thus tightening this market segment further. There will thus be a shortage of DSV's in the market from 2022 as the oil and gas industry is catching up after COVID-19 and the increase in oil price is also pushing for oil majors to proceed quickly to benefit from this.

There are a few emerging markets riding the tide of the pandemic. With renewable energy trending as it is now - offshore wind farms specifically, the associated installation vessels are going through an unnatural high. This trend is expected to continue, and there is a room for some more conversions to match said demand.

(Source: seatrade-maritime.com, rivieramm.com, Strategic Offshore Research and Rystad Energy)

2. TYPES OF SUBSEA VESSELS

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

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

MERMAID'S INDUSTRY POSITIONING

Having served the Oil & Gas industry for over 30 years, Mermaid boasts a proven track record of subsea excellence. With operations throughout South East Asia, Middle East and previously Africa and the North Sea, Mermaid played a pioneering role in the global subsea markets. Mermaid has the ability provide a subsea engineering solution, in most water depths and this can involve complex and challenging engineering, in any region of the world for the Oil and Gas markets.

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

Mermaid will continue to take a cautious perspective on the offshore oil and gas market for the next 12 months. With the recent oil market rebalance, coronavirus impact, many commentators in the industry have put forward certain features of offshore oil and gas service companies that would make them better placed than others within the space. Having taken these various factors into account, Mermaid believes that it is one of those well-placed companies, which could capitalize on the current market conditions. This is due to Mermaid's strategic industry positioning, reputation, track record, and low gearing and current cash position and fiscal discipline. This is further elaborated below:

GEOGRAPHICAL COVERAGE AND SHALLOW WATER FOCUSED

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

IRM FOCUSED, AND GEOGRAPHICAL EXPANSION

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

TRACK RECORD OF QUALITY AND SAFETY, MODERN ASSET BASE

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

Mermaid has a stable order book which has this year grown year-on-year. Most work is in the subsea services sector, with more near term contract wins expected. This contract backlog is expected to provide a backbone of revenue in 2022, and there is already room for additional upside. The significant outcome of a more diversified forward book, also being greater at the end of the year than it was at the beginning of any year for the first time in any of the past four years, is testimony to the significant recovery effected by the new management in the most turbulent of times globally.

FISCAL DISCIPLINE

In these challenging market conditions, Mermaid retains low gearing and sufficient cash reserves. It allows the company to remain agile and be ready to take advantage of any opportunistic and organic growth that may present itself in the present time.

(References: IHS Markit, Kennedy Marr, Organization of the Petroleum Exporting Countries (OPEC), Pareto Securities Research, Rigzone, Rystad Energy, Strategic Offshore Research, U.S. Energy Information Administration (EIA), Moody's, Wood Mackenzie).



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

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

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

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

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

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

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

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

Exchange rate: For 2021 financial numbers, the exchange rate of Baht 33.4199 and Baht 31.9771 to US Dollar 1.00 was used to denominate value in Baht currency to US Dollar currency for the statement of financial position and statement of comprehensive income, respectively.

In this section, unless otherwise specifically stated to the contrary, all references to years (i.e. 2020 and 2021) shall mean the financial years of the Group ending 31 December.

SUBSEA SERVICES

The subsea services group comprises Mermaid Subsea Services (Thailand) Ltd., Seascape Surveys Pte. Ltd. In Singapore, Mermaid Subsea Services (International) Ltd. in Seychelles, Mermaid Subsea Services LLC in Qatar, Mermaid Subsea Services Saudi Arabia Co., Ltd. and Mermaid Subsea Oil and Gas Services DMCEST (collectively "Subsea Group").

SUBSEA IRM AND SURVEY WORKS

The following table provides a summary of the changes in Calendar-vessel-days by owned and chartered-in vessels for subsea inspection, repair and maintenance ("IRM") and survey works.

TABLE 1: CALENDAR-VESSEL-DAYS FOR OFFSHORE SERVICE VESSELS

| | | | | Onit. Day. |
|----------------------|-------------|----------|-------------|------------|
| Calendar-Vessel-Days | FY 2 | FY 2021 | | 020 |
| | No. of Days | % Change | No. of Days | % Change |
| Owned Vessels | 1,884 | -14.21% | 2,196 | -10.84% |
| Chartered-in Vessels | 0 | NA | 0 | NA |
| Total | 1,884 | -14.21% | 2,196 | -10.84% |

Calendar days of owned vessels were decreased from 2,196 days to 1,884 days in 2021 as a result of a disposal of one owned vessel "Mermaid Siam" in February 2021. There was no long-term chartered-in vessel during the year.

TABLE 2: FLEET UTILIZATION FOR OFFSHORE SERVICE VESSELS

| | | | | Unit: Days | |
|-----------------------|-------------|----------|-------------|------------|--|
| Item | FY 2 | FY 2021 | | FY 2020 | |
| | No. of Days | % Change | No. of Days | % Change | |
| Calendar-Vessel-Days | 1,884 | -14.21% | 2,196 | -10.84% | |
| Planned Off-Hire Days | - | -100.00% | 136 | 209.09% | |
| Available Days | 1,884 | -8.54% | 2,060 | -14.84% | |
| Operating Days | 724 | -16.97% | 872 | -3.86% | |
| Fleet Utilization | 38.43% | -3.90% | 42.33% | 4.84% | |

Revenue from rendering of services: Revenue from rendering of subsea IRM services slightly decreased 1.79% from US Dollars 83.8 million in 2020 to US Dollars 82.3 million in 2021 mainly due to lower utilization of main performing vessels. Total fleet utilization declined from 872 days in 2020 to 724 days in 2020. In spite of lower utilization rate, average day rates increased from US Dollars 65.6 thousand in 2020 to US Dollars 70.6 thousand in 2021.

Unit: Days

Costs of rendering of services: Costs of rendering of services were consisting of service expenses and depreciation. In 2021, the costs were recorded at US Dollars 80.2 million which greatly dropped by 15.93% comparing to US Dollars 95.4 million in 2020.

Service expenses: Service expenses greatly reduced from US Dollars 81.5 million or equivalent US Dollars 37,107 per Calendar-vessel-day in 2020 to US Dollars 66.0 million or equivalent US Dollars 35,057 per Calendar vessel-day in 2021. Service expenses were representing 88.76% of revenue from rendering of subsea services, which improved from 97.26% of a previous year. As a result of better costs and operational control, the subsea IRM services generated positive gross profit in 2021.

Depreciation: Depreciation expenses marginally increased by 2.16% from US Dollars 13.9 million in 2020 to US Dollars 14.2 million in 2021 as a consequence of scheduled 5-years regulatory dry-docking activity for owned main vessels which was done in 2020.

SUBSEA CABLE LAYING & ENGINEERING WORKS

The following table provides a summary of the project works for cable laying and engineering services during the fiscal year 2021.

TABLE 3: PROJECT WORKS FOR CABLE LAYING AND ENGINEERING SERVICES

| | FY 2021 | | FY 2020 | |
|--------------------------------|---------|----------|---------|----------|
| Item | Amount | % Change | Amount | % Change |
| No. of Projects | 4 | 100.0% | - | NA |
| Average Project Value (USD MM) | 5.5 | 100.0% | - | NA |
| Average Working Days | 92 | 100.0% | - | NA |

Revenue from rendering of services: During 2021, revenue from rendering of cable laying services were US Dollars 22.1 million which came from 4 main projects that awarded in the Middle East. Revenue from cable laying projects were approximately 19.8% of total revenue.

Costs of rendering of services: Recorded at US Dollars 26.8 million, costs of rendering of cable laying services were 121.5% of its revenue. The high costs were an impact of a delay in mobilizing a vessel and crew to a new site of cable laying project that affected by the COVID-19 pandemic.

T&I AND DECOMMISSIONING WORKS

The following table provides a summary of T&I and Decommissioning services during the fiscal year 2021.

TABLE 4: PROJECT WORKS FOR T&I AND DECOMMISSIONING WORKS

| Item | FY 2021 | | FY 2020 | |
|--------------------------------|---------|----------|---------|----------|
| | Amount | % Change | Amount | % Change |
| No. of Projects | 1 | 100.0% | - | NA |
| Average Project Value (USD MM) | 7.3 | 100.0% | - | NA |
| Average Working Days | 82 | 100.0% | - | NA |

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Revenue from rendering of services: In 2021, the Group has explored new opportunities in T&I and decommissioning works. It commenced 1 project in South East Asia and recorded US Dollars 7.3 million during the year.

Costs of rendering of services: Costs of rendering of T&I and commissioning services was US Dollars 6.2 million in 2021 which representing 85.4% of revenue from rendering of this service and giving a good profit margin at 14.6%.

OTHER OPERATING RESULTS

General and administrative expenses: General and administrative expenses were US Dollars 14.7 million in 2021. Administrative expenses hugely dropped by 40.49% from US Dollars 24.7 million in 2020. The decrease principally came from impairment loss recorded in 2020. Excluding impairment loss, other main administrative expenses slightly reduced by US Dollars 0.7 million.

Impairment loss: The Group recorded US Dollars 0.7 million as expected credit losses for 2021. In 2020, US Dollars 10.0 million was recorded as impairment loss which comprised of expected credit losses at US Dollars 7.9 million and impairment loss on goodwill at US Dollars 2.1 million. These losses were recorded under general and administrative expenses.

Loss on disposal of investment in an associate: In 2020, the Group exercised the put option to sell all of its 33.76% shares in Asia Offshore Drilling Limited ("AOD"), an associate. The loss on disposal of investment in this associate was recognized at US Dollars 68.1 million.

Finance costs: The costs of finance were recorded at US Dollars 1.6 million in 2021, decreased from US Dollars 2.2 million in 2020 as a result of lower market interest rate.

Foreign exchange losses: Foreign exchange losses resulted in US Dollars 444 thousand in 2021 compared to US Dollars 15 thousand in 2020. The change was affected by an increase in exchange rates.

Other income: In 2021, other income was US Dollars 2.6 million, up from US Dollars 0.3 million in previous year. The increase was mainly due to US Dollars 1.3 million gain from liquidation of subsidiaries, US Dollars 0.8 million gain from disposal of property, plant and equipment and US Dollars 0.2 million from management fee income recorded in 2021.

Share of profits (losses) of joint ventures and associates: Share of profits of joint ventures and associates was recorded at US Dollars 0.5 million in 2021. The share of profits came from new joint ventures that acquired during the year. In 2020, share of losses from associates was recorded at US Dollars 0.9 million.

Income taxes: Income tax expenses reduced from US Dollars 2.5 million in 2020 to US Dollars 0.8 million in 2021. by US Dollars 1.9 million from USD Dollars 0.6 million in 2019 to US Dollars 2.5 million in 2020. In 2020, there was a reversal of deferred tax assets as a subsidiary cannot utilize tax loss carried forward before it's expired.

Based on the factors illustrated above, the Group reported net loss of US Dollars 15.7 million in 2021, which improved from net loss of US Dollars 109.6 million in 2020.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth the Group's consolidated capitalization for the two previous financial years.

TABLE 5: TOTAL CAPITALIZATION

| | | Unit: US Dollars '000 |
|--|-------------------|-----------------------|
| | As at 31 December | |
| Item | 2021 | 2020 |
| Cash, cash equivalents, current investment and deposits | | |
| Cash and cash equivalents | 7,983 | 37,756 |
| Current investment | 2,874 | 9,714 |
| Restricted deposits at financial institutions | 8,187 | 9,193 |
| Total cash, cash equivalents, current investment and deposits | 19,044 | 56,663 |
| Debt | | |
| Current portion of long-term borrowings (including finance leases) | 17,332 | 13,750 |
| Long-term borrowings (including finance leases) | 36,563 | 44,091 |
| Total Debt | 51,895 | 57,841 |
| Shareholders' Equity | | |
| Ordinary shares, Baht 1 par value | | |
| 1,413.33 million shares issued and fully paid-up | 47,322 | 47,322 |
| Share premium on ordinary shares | 343,536 | 343,536 |
| Retained earnings (deficit) | (226,505) | (221,082) |
| Other components of equity | (3,678) | (2,473) |
| Total Shareholders' Equity | 160,675 | 177,303 |
| Total Capitalization | 212,569 | 235,144 |
| Total Debt to Total Capitalization | 0.24 | 0.25 |

As at 31 December 2021, the Group's total cash and cash equivalents equaled US Dollars 19.0 million, a decrease of US Dollars 37.7 million from US Dollars 56.7 million as at 31 December 2020.

For the year ended 31 December 2021, the Group had net cash used in operating activities of US Dollars 2.9 million which improved from the cash flow for the corresponding period ended 31 December 2020. This was mainly from increase in trade account receivable as well as mitigated loss incurred from operations during 2021.

The Group had net cash used in investing activities of US Dollars 19.2 million in 2021. This was primarily due to an acquisition of support vessel and property, plant and equipment and intangible assets of US Dollars 24.6 million and an acquisition of investment in joint venture of US Dollars 2.6 million. These were offset against net cash received from net sale and purchase of current investment of US Dollars 6.8 million.

The Group used net cash in financing activities of US Dollars 1.0 million in 2020. This was due to new proceeds from long-term loans from financial institution and parent company for working capital of US Dollar 3.0 million and US Dollars 5.0 million respectively. These new proceeds were offset against loan repayment to financial institutions of US Dollars 13.8 million and finance cost paid of US Dollars 1.6 million.

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As at 31 December 2021, the Company had a total debt of US Dollars 51.9 million, comprising of long-term borrowings from financial institutions of US Dollars 46.7 million, long-term borrowings from parent company of US Dollars 5.0 million and lease liabilities of US Dollars 0.2 million. In comparison, as at 31 December 2020, the Company had a total debt of US Dollars 57.8 million, comprising of long-term borrowings from financial institutions of US Dollars 57.4 million and lease liabilities of US Dollars 0.4 million. Outstanding loans were obtained mainly for acquisitions of vessels, rigs and equipment and working capital.

CAPITAL EXPENDITURES

The major capital expenditure in 2021 was an investment in property, plant and equipment and intangible assets totaling of US Dollars 5.3 million and US Dollars 2.0 million respectively.

QUALITATIVE AND QUANTITATIVE MARKET RISK

FOREIGN CURRENCY FLUCTUATION RISK

The international offshore oil and gas industry utilizes the US Dollars as its functional currency. Consequently, a substantial portion of the Group's revenues and operating expenses are recorded in US Dollars. The Group also incurs certain crew, vessel and rig operating expenses, dry-docking and overhead costs in foreign currencies. A substantial part of the assets and liabilities of the Group are recognized in US Dollars.

INTEREST RATE RISK

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rate.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. The Group manages credit risk by considering and following credit policy for customer evaluation and monitored closely along with suitable resolution and instrument to reduce exposures.

LIQUIDITY RISK

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

BUSINESS CONTINUITY RISK

Regarding to an ongoing Covid-19 pandemic during the past years without any sign to stop in FY2022, the Group has been monitoring the situation carefully and assess for an impact caused by the pandemic including possibility of increased cost, operation cessation and rescheduling. The Group mitigates this risk by negotiation with counterparties for related terms and conditions, updating situations and finding solutions to reduce the exposures.



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

ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

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



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

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RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

THE BOARD OF DIRECTORS

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

RISK MANAGEMENT COMMITTEE

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

MERMAID GROUP'S FIVE-STEP RISK MANAGEMENT PROCESS

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

Our ERM framework is reviewed regularly, taking into account changes in the business and operating environments. References are made to the Singapore Code of Corporate Governance, ISO31000 standards for Risk Management, COSO Enterprise Risk Management-Integrated Framework (2004) as well as the Guidebook for Audit Committees (2014).

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

KEY RISKS AND MITIGATION STRATEGIES

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

A) STRATEGIC RISKS

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

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

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

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

B) CREDIT RISKS

CREDIT DEFAULT RISKS:

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

CONCENTRATION RISK:

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

C) OPERATIONAL RISKS

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

During the pre-contract stage, the project evaluation team, comprising members from different functions, identifies and evaluates key risks concerning the market, customers, engineering expertise and challenges, contractual terms, cost estimation, resource availability and other specific project structure and conditions. Mitigating actions are identified to address these potential risks.

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

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

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

D) FINANCIAL RISKS

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

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

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

A part from the above statement, the Group also focused on tax management because of the huge number from taxation. Revenue from each project is deducted from withholding tax directly and it is a consequence to affect the revenue. To mitigate of the impacted to revenue and margin, the Group always investigate and foresee in each regional operation to include the taxation for avoiding the losses of missing calculation. Moreover, the Group also follow laws and regulations to find a solution of reducing tax by used local content for the services of each region.

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

E) COMPLIANCE RISKS

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

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

F) HUMAN RESOURCES RISKS

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

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

G) EXTERNAL RISKS

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

The outbreak of the coronavirus disease 2019 ("COVID-19") is the latest example of an external event that has affected global oil demand and, following the inability of major oil producing nations to agree on revised production targets, led to an oil price crash in the month of March 2020. The World Health Organization declaring COVID-19 as a pandemic and its spread across various countries coupled with the challenges of medical treatment and government intervention to enforce containment continues to weight down the recovery outlook of the oil and gas industry and of the global economy. COVID-19 still occur continuously and cannot expected the end of circumstance, the Group is still focusing on the mitigation and monitoring closely with alertness to response adequately action plan for the pandemic situation. Operation and Finance team are working together closely for controlling the budget and cost impact from the pandemic for all process; pre-contract, project preparation, project execution, project completion.

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

ENHANCING RISK MANAGEMENT CULTURE

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

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


SUSTAINABILITY REPORT





ABOUT MERMAID

Mermaid provides full turnkey services to oil and gas majors operating offshore through diversified portfolio of subsea vessels, specialized diving equipment and remotely operated vehicles. Mermaid has been in the offshore business for over 30 years and is present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff.

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

INTRODUCTION

Mermaid engaged Trucost to review reporting of its environmental, social and governance (ESG) impacts for the financial year of 2021 (FY2021), which comprised the period from January 2021 - December 2021. Mermaid is interested in measuring its baseline ESG impact so that it can track progress against ESG-related activities over time. The results from this report are in line with common sustainability reporting frameworks - GRI and SASB and are aligned with TCFD recommendations.

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

Due to the global COVID-19 pandemic, Mermaid's disclosure in FY2021 may be not fully representative of Mermaid activities in a typical year. The COVID-19 pandemic may have impacted the environmental impact metrics as well as disclosure that relates to employee turnover.

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SCOPE

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

ENVIRONMENTAL INDICATORS COVERED INCLUDE:

- 1. GHG emissions
- 2. Energy Management
- 3. Water & Wastewater Management
- 4. Waste & Hazardous Materials Management
- 5. Ecological Impacts

SOCIAL INDICATORS COVERED INCLUDE:

- 1. Employee Engagement, Diversity & Inclusion
- 2. Employee Health & Safety
- 3. Labor Practices
- 4. Product Quality & Safety

GOVERNANCE INDICATORS COVERED INCLUDE:

- 1. Data Security
- 2. Business Ethics
- 3. Management of Legal & Regulatory Environment
- 4. Critical Incident Risk Management

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



FIGURE 1: SCOPE OF VALUE CHAIN GHG EMISSIONS FOOTPRINT

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

METHODOLOGY

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

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

Trucost calculated Scope 2 emissions from electricity consumption data.

Trucost calculated Scope 3 emissions (business travel) data from total car travel distance data.

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

- · Fuel usage: EPA 2020
- · Purchased electricity: EPA 2020 and IEA 2020

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

ESG MATERIALITY

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

Table 2 shows the ESG materiality results for Mermaid. The material topics shown in the table are identified across three categories – Environment, Social and Governance.

Overall Mermaid had 21 participants from their management level to Operations and Support divisions participating in the materiality assessment. The scores displayed in table 2 represent the average scores from all the participants. When scoring the material topics, Mermaid tried its best to include all the departments to consider the possible likelihood and impact on the business for the company, counterparties and environment.

| Source | Category | No. | Material Issue | Material to Mermaid Maritime | Score of Importance to Business (10 is high, 1 Is low) | Score of Importance to Stakeholders (10 is high, 1 Is low) |
|------------|-------------|-----|--|------------------------------------|---|---|
| SASB/GRI | Environment | 1 | GHG Emissions | Yes | 10 | 10 |
| SASB/GRI | Environment | 2 | Energy Management | Yes | 8 | 8 |
| SASB/GRI | Environment | 3 | Water & Wastewater Management | Yes | 10 | 10 |
| SASB/GRI | Environment | 4 | Waste & Hazardous Materials Management | Yes | 10 | 10 |
| SASB/GRI | Environment | 5 | Ecological Impacts | Yes | 10 | 10 |
| SASB/Peers | Social | 6 | Product Quality & Safety | Yes | 9 | 9 |
| GRI/Peers | Social | 7 | Labor Practices | Yes | 9 | 9 |
| SASB/GRI | Social | 8 | Employee Health & Safety | Yes | 10 | 10 |
| GRI/Peers | Social | 9 | Employee Engagement, Diversity & Inclusion | Yes | 8 | 8 |
| GRI/Peers | Governance | 10 | Data Security | Yes | 10 | 10 |
| SASB/GRI | Governance | 11 | Business Ethics | Yes | 10 | 10 |
| SASB/GRI | Governance | 12 | Management of the Legal & Regulatory Environment | Yes | 10 | 10 |
| SASB | Governance | 13 | Critical Incident Risk Management | Yes | 10 | 10 |

TABLE 2: MERMAID ESG MATERIALITY TABLE, FY2021



GREENHOUSE GAS EMISSIONS

Trucost reviewed Mermaid's environmental data for FY2021. Mermaid's operational greenhouse gas emissions are attributed to onsite energy use and employee travel. The analysis below covers Mermaid's warehouses, offices and vessel operations in Thailand, Qatar and Saudi Arabia.

TABLE 3: COMBINED DIRECT AND INDIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2021

| | Units | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------|-------|---------|---------|---------|--------|---------|
| Purchased electricity | MWh | 2,038 | 2,133 | 1,343 | 1,062 | 1,474 |
| Total distance travelled | Km | 311,801 | 277,377 | 138,177 | 96,907 | 130,980 |
| Scope 1 | tCO2e | 37,695 | 39,061 | 30,265 | 28,351 | 23,607 |
| Scope 2 (location based) | tCO2e | 1,227 | 1,282 | 733 | 588 | 723 |
| Scope 3 (business travel) | tCO2e | N/A | 29 | 24 | 17 | 19 |



FIGURE 4: ELECTRICITY USAGE BY GEOGRAPHY, FY2021

FIGURE 5: SCOPE 1 GHG EMISSIONS ABSOLUTE AND INTENSITY VALUES, FY2017-2021



FIGURE 6: SCOPE 2 GHG EMISSIONS ABSOLUTE AND INTENSITY VALUES, FY2017-2021



Mermaid has been reporting on emissions since 2016. In response to Thailand's updated nationally determined contributions (NDCs) to the United National Framework Convention on Climate Change, Mermaid plans to continue to achieve improvements in emissions reduction. In comparison to 2020, Mermaid's scope 1 emissions decreased substantially by 17% y/y, thanks primarily to reduced fuel oil consumption. However, due to rising purchased electricity, Mermaid's scope 2 emissions rose 23% y/y in FY2021.

DIRECT (SCOPE 1) GHG EMISSIONS

Direct emissions are GHG emissions from an organization's direct operations. Direct (or scope 1) emissions are derived from consumption of fuels such as natural gas, petrol and diesel. Mermaid's scope 1 emissions during FY2021 were 23,607 tCO2e, and the intensities of GHG emissions normalized by revenue and total employees were 249.9 tCO2e/mUSD and 153.3 tCO2e/employee, respectively.

INDIRECT (SCOPE 2) GHG EMISSIONS

The second component of Mermaid's GHG emissions relates to indirect (or scope 2) emissions from the consumption of purchased electricity. Mermaid's scope 2 emissions (location-based) during FY2021 were 723 tCO2e. 100% of the electricity was purchased from the grid. The intensities of GHG emissions normalized by revenue and total employees were 7.7 tCO2e/mUSD and 4.7 tCO2e/employee, respectively.

INDIRECT (SCOPE 3) GHG EMISSIONS

The third component of Mermaid's GHG emissions comes from its employee traveling (scope 3). Mermaid's scope 3 emissions as a result of employee traveling covering warehouses were 22 tCO2e during FY2021. The intensities normalized by total employees were 0.15 tCO2e. Additionally, Mermaid also had 8 tCO2e of scope 3 emissions contributed by travel from third-party vehicles.

ENERGY MANAGEMENT

Mermaid realizes that energy usage, such as electricity purchased or generated via gas turbine and diesel engines, could impact the environment. Mermaid identifies its main source of energy consumption from its offices and marine operation sites. The company has therefore been monitoring the amount of energy usage and impact at every site and office. In order to reduce carbon emissions from energy consumption, the management requires the company to manage the energy usage effectively and comply with the updated standards and requirements. As a result, Mermaid's vessel fuel oil consumption further declined in FY 2021 to 8,850 m3 from 9,079 m3 in FY2020, despite a recovery in business activities and vessel operations due to rising client's demand from Saudi Arabia.

Apart from Carbon Dioxide emissions, emissions of Nitrogen Oxides (NOx) and Sulphur Oxides (SOx) are also detrimental to humans and nature ecosystem. Mermaid's vessels follow the MARPOL (International Convention for the Prevention of Pollution from Ships) guidelines and the company has Pollution Prevention Protocol in place to set boundaries and requirements for company equipment to limit emissions of certain key pollutants. Continued efforts in increasing energy efficiency and reducing fuel oil consumption have also led to a decease in NOx and SOx emissions in FY2021 to1,011 and 968 tonnes, respectively.

| | | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|--------|--------|--------|-------|-------|-------|
| Fuel Oil Consumption | МЗ | 10,971 | 11,697 | 9,692 | 9,079 | 8,850 |
| SOx | Tonnes | 1,199 | 1,247 | 1,061 | 994 | 968 |
| NOx | Tonnes | 1,211 | 1,302 | 1,108 | 1,038 | 1,011 |

TABLE 7: FUEL OIL USAGE AND ASSOCIATED AIR POLLUTANTS, FY2021

WATER & WASTEWATER MANAGEMENT

Mermaid's water consumption comprises usage in vessel operations and warehouse operations. During vessel operations, total water consumption reached 16,043 m3 in FY2021, with 24,262 m3 water withdrawal and 8,219 m3 water discharge. The water discharge purely came from vessel, Mermaid Endurer. Mermaid does not operate in regions where fresh water is scarce. The biggest source of water came from water produced on board, accounting for 49% of total water withdrawal. Vessel Mermaid Asiana withdrew water from seawater directly.

TABLE 8: WATER USAGE FOR VESSELS OPERATIONS CUBIC METRES (M3), FY2021

| Water Usage by Vessels | 2021 |
|----------------------------------|--------|
| Water Withdrawal | 24,262 |
| Sapphire | 2,975 |
| Endurer | 8,204 |
| Asiana | 8,101 |
| Millennium 3 | 4,983 |
| Water Discharge | 8,219 |
| Sapphire | - |
| Endurer | 8,219 |
| Asiana | - |
| Millennium 3 | - |
| Water Consumption | 16,043 |
| Sapphire | 2,975 |
| Endurer | (15) |
| Asiana | 8,101 |
| Millennium 3 | 4,983 |
| | |

CHART 9: WATER WITHDRAWAL BY SOURCE, IN BREAKDOWN BY VESSELS



Mermaid's water consumption for warehouse operations reached 3,578 m3 in FY2021, 24% y/y higher than FY2021, which could be in part due to a recovery of business activities. Chart 10 shows total water consumption during FY2017-2021 and also water consumption intensity based on million USD revenue. The bulk of water consumption took place in Thailand, and Qatar and Saudi Arabia shared the rest (36%). Mermaid manages its water footprint by ensuring the efficient usage of water and the management of produced wastewater.

CHART 10: WATER WITHDRAWAL BY TYPE AND BY WAREHOUSE, FY2021







WASTE & HAZARDOUS MATERIALS MANAGEMENT

Mermaid is conscious of the need to preserve the marine environment and has identified the main source of waste generation as from office (general waste) and the marine operation sites (chemicals). Mermaid produces both hazardous and non-hazardous waste. It adheres to ISO 14001 requirements and guidelines for vessel-specific garbage management plans.

The total waste in FY2021 rose to 570 metric tonnes, with waste oil, plastic and soda lime being the top 3 biggest sources. Compared to FY2021, Mermaid effectively reduced waste volume in sludge. The bulk of the non-hazardous waste generated on vessels was disposed of ashore by port reception facilities while the hazardous waste mostly went to landfill.

In addition to vessel waste, 288 metric tonnes of office waste were generated in FY2021. These are composed of a mix of waste such as food, paper, plastics etc.



CHART 12: WASTE BY COMPOSITION, FY2021-2021

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TABLE 13: WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATIONS

ECOLOGICAL IMPACT

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

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

Mermaid Endurer complies with D2 requirement. Ballast Water Management Plant is installed onboard. Mermaid Asiana and Mermaid Sapphire complies with D1 (Exchange method). Plan to install Ballast Water Management Plant within 2022 for the other vessels.



ENGAGEMENT, DIVERSITY AND INCLUSION

Overall, the company has 78% male and 22% female representation. This split is mainly due to the 24% female representation for Non-Executive position. The largest age group in the company are employees between 30-50 (47%), followed by staff under 30 (39%).

TABLE 14: GROUP DIVERSITY AND EMPLOYEE REPRESENTATION (ACTIVE EMPLOYEES), FY2021

| Diversity | | Board | Executive | Non-Executive | Total |
|-----------|----------|-------|-----------|---------------|-------|
| Gender | Male | 100% | 100% | 76% | 78% |
| | Female | 0% | 0% | 24% | 22% |
| Age Group | Under 30 | 0% | 0% | 42% | 39% |
| | 30-50 | 17% | 67% | 47% | 47% |
| | Over 50 | 83% | 33% | 11% | 14% |



FIGURE 15: GENDER

REPRESENTATION, FY2021



DIVERSITY AND INCLUSION

Overall, the company has a workforce comprised of 45% from Thailand, 23% from Southwestern Asia, 13% from UAE, 9% from Qatar, and rest from Singapore (1%), South Africa (3%) and other countries (6%).



FIGURE 17: ETHNICITY REPRESENTATION, FY2021

The company's ratio of basic salary and renumeration by gender is 9:1 for male vs female. The difference is mainly due to the differences between male (88%) vs female (12%) for Non-Executive position.



FIGURE 18: RATIO OF BASIC SALARY AND RENUMERATION FOR MEN AND WOMEN, FY2021

TRAINING AND DEVELOPMENT

| Employee Group | Category | Average hours of training that the employees have undertaken during the reporting year | Percentage of total employees who receive a regular performance review and career development review during the reporting period |
|----------------|----------|--|---|
| Gender | Male | 0.40 | 100% |
| | Female | 0.50 | 100% |
| Age Group | Under 30 | 0.00 | 100% |
| | 30-50 | 0.60 | 100% |
| | Over 50 | 1.00 | 100% |

TABLE 19: DIVERSITY AND INCLUSION MANAGEMENT PRACTICES

Labor which lacks safe practices will impact business directly. Mermaid is well-aware of the importance of workers' training and development. The company has employee performance reviews annually and will share and update employees for areas of improvement.

Besides the employees' performance, Mermaid also checks and discusses with employees as to the status of each department to ensure that it has good teamwork. An investigation will be initiated if the organization finds out about any conflicts in the company, ensuring that the company will continuously improve.

EMPLOYEE HEALTH & SAFETY

There were 3 recordable medical treatment cases in 2021 leading to a Total Recordable Injury Rate (TRIR) of 0.34. There were zero case of Loss Time Incident and zero fatality rate. There were 16 Near Miss cases globally in FY2021.

Mermaid is committed to safety, the prevention of injury or loss of life, and the protection of its employees, the environment and all personnel, directly employed or subcontracted, who work within the framework of the Company and its subsidiaries. In line with this commitment, this Safety, Health and Environment Policy (the "Policy") aims to inform all employees and associated Company personnel of our commitment to health, safety and protection of the environment. MSS assesses all identified risks to its vessels, personnel and the environment and has established and put in place appropriate procedures and safeguards.



TABLE 20: TOTAL RECORDABLE





EMPLOYEE HEALTH & SAFETY

| Description | Details |
|--|--|
| Commitment of MSS | MSS is committed to: Providing safe and healthy working conditions for the prevention of work-related injury and ill health. These conditions are appropriate to the purpose, size and context of our organization and specific to the nature of the OH&S risks and opportunities that we face; Providing a framework for setting OH&S objectives; Fulfilling legal and other requirements; Elimination of hazards and reduction OH&S risks; Continual improvement of the MSS Group SHEQS Management System; Extended Consultation and Participation of workers, and workers' representatives |
| Impact to Stakeholders and Management | The Company realizes the importance of this topic including cause and impact to the Employee Health/Safety Aspects. |
| | The management insists the company must manage these Safety Aspects effectively and comply to all updates on standards, requirements, laws and regulations related along with proper dissemination management. |
| | All employee must follow the policies and protocols and communications to suppliers and customers along with the publishment for all the updates of standards and certificates shall be kept up-to-date. |

| Description | Details |
|-----------------|--|
| Risk Management | MSS has determined the context of organization as outlined in: MSS-SHEQS-ML-150 Context of Our Organization, Also known as contextual intelligence, this approach is not completely new to MSS and has been part of our planning and strategic development, but it is new in terms of its specific inclusion to the MSS SHEQS System and ISO 9001:2015 / ISO 14001:2015. |
| | Our organization has identified and assessed all internal and external issues that could impact upon our Employee Health & Safety (SHEQS) ability to deliver its intended results. MSS-SHEQS-ML-155 Risk and Opportunities Register. |
| | This system has and will continue to develop, over time, an understanding of the key internal and external factors that influence our business and has allowed us to set up processes to monitor and review these issues. |
| | The Context, Risk and Opportunity (CRO) monitoring / review shall be completed on a bi-yearly basis by the MSS QHSE Department in association with the COO and department heads. |

LABOR STANDARDS

FIGURE 22: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVER BY GENDER



FIGURE 24: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVERBY GEOGRAPHY



FIGURE 23: VOLUNTARY AND INVOLUNTARY EMPLOYEE TURNOVER BY AGE



Labor who lack practices will impact business directly. Mermaid takes labor The subject is very important to focus for better improvement. The group will have employee performance review annually, to share and update employees for motivating and alerting on improvement areas.

Voluntary and Involuntary turnover rates are highest for employees between 30-50 and lowest for the age group below 30. By gender, voluntary turnover rates are much higher for female while involuntary turnover rates are higher for male than female. Overall, in both Asia and Middle East, voluntary turnover rates are much higher than involuntary turnover rates.

Employees are able to escalate issues within the management structure. The company has a whistle-blowing policy in place that enables all employees to provide their complaints/feedback via email.

All employees earn at least the minimum wage. There are no child labor or young workers in the Company.

]There was zero monetary losses reported as result of legal proceedings associated with labor law violations and/or employment discrimination for FY2021.

PRODUCT QUALITY AND SAFETY

| Description | Details |
|---|---|
| | The Company is committed to maintaining all standards, requirements, laws and regulations in relation to the final deliverable 'product' Quality (inclusive of both Assurance and Control) without sacrificing Safety in any way. For example, The company is actively monitoring Customer feedback in relation to Quality Assurance and Control. Key Performance Safety indicators are updated and are also monitored on a daily basis by the Environmental, Health & Safety or Quality Management System's (SHEQS) Department, information from which is shared with Senior most Management on a weekly basis. |
| What are the targets and objectives set | This system of Management is designed to allow total compliance with regulatory and Clients' requirements. Company Quality Objectives have been established and include: |
| | 1. Customer satisfaction, ensuring that the reporting and actions resulting from customer feedback and/or complaints, non-conformances and audit findings are completed timely and effectively. |
| | 2. On time delivery and completion of projects to required specifications |
| | 3. Accuracy of work and data produced to required specifications |
| | 4. Continuous improvement and development of Company processes and personnel with a training target of 3% overall man hours |
| | 5. Continuous development and implementation of a quality Management system to achieve these objectives require the full cooperation and commitment of all management and employees |
| | The Company manages these topics via internal integrated SHEQS Management System including policies and processes with associated Master lists, Checklists and form work, all of which are available to all employees via an online, web-based Portal. |
| | Understanding the needs and expectations of Interested Parties' and stakeholders is a major part of the Company system(s). Such interests ware those that might impact upon our SHEQS ability to deliver its intended results, or those that might influence our business's strategic direction. |
| | This information has been gathered, reviewed and is subjected to regular monitoring through the formal CRO (bi-yearly). During review, In order to determine the continued relevance of an interested party or its requirements, our organization needs to know: 'does this interested party, or their requirements, affect our organization's ability to achieve the intended outcomes of our management system?' If the answer is 'yes', then the interested parties' requirements should continue to be captured and considered when revising our Management System. |
| | To capture this information, our approach includes: |
| | \cdot $\;$ Information summarized as an input to the MSS Risk and Opportunity register; |
| | Information summarized as an input to the identification of environmental aspect and impact registers; |
| | Information summarized as an input to the identification of health & safety hazards and Job Hazard Analysis (JHA); |
| | \cdot Captured, recorded, and disseminated through key meetings. |

CORPORATE SOCIAL RESPONSIBILITY

Mermaid recognizes the importance of its social responsibility and has been participating actively in corporate social responsibility events.

At the end of FY2021, Mermaid started a donation project. The company donated computers, electric appliance, other office equipment and consumer products to "Baan Nokkamin Foundation" in order to support their purpose as a Christian organization. The organization offers assistance to orphans, street children, underprivileged children, the elderly and drug addicts by developing and changing their lives and strengthening them emotionally so that they are ready for their future.

The company plans for donations to foundations every year from now on by providing used items, consumer goods and money.



DATA SECURITY

Mermaid realizes the importance of enhancing data security, as information technology contributed to many BU's creation on our critical systems to support the existing and new business partners. Mermaid completed the below areas of improvement related to data security in FY2021:

- Cost reduction with terminating duplicated system
- Simply IT maintenance with cloud base
- Mermaid Modern office compliance
- Mermaid system mobility device
- Mermaid Cyber security compliance

Mermaid IT currently is compiling the below yearly audit with

- RSM cyber security audit from KSA vendor
- DNV cyber security audit from vessel certificate audit
- KPMG external audit for financial and procurement

Moreover, Mermaid IT is migrating critical systems to a new solution as IT products have been recommended in both public and private cloud modules and alignment with the criteria of cyber security compliance.

TABLE 25: DATA BREACHES, FY2021

| Category | Detail |
|--|--------|
| How many confirmed or suspected data security breaches occurred in the past financial year? | 0 |
| Of these breaches, number that concerned the potential for personal identification material to be compromised? | NA |
| Of these breaches what were the total number of users affected? | NA |
| Of these breaches, number that led to the company incurring fines or other penalties? | NA |
| Of these breaches, value of these penalties? | NA |

BUSINESS ETHICS

The Company has an Anti Bribery and Corruption (ABC) Policy in place. In Q1 2022 there is, as part of the QHSE Plan for 2022, a plan for a high-level training program to remind senior management of the importance of ABC. The Company is also in process of revising the Groups Business Continuity Plan.

The Company, through its Board of Directors and its Executive Committee, makes the following commitments:

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

All employees shall not, whether directly or indirectly provide money or anything else of value to any person:

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

TABLE 26: ANTI-CORRUPTION COMMUNICATION AND TRAINING, FY2021

| Anti-Corruption Communication and Training | Detail |
|--|---|
| Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region | The MSS Group ABC Policy has been communicated to all MSS Group BU's (inclusive of Vessels) (NB; Thailand, Qatar, UAE, Africa and UK). |
| Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. | As above, 100% all locations. |

MANAGEMENT OF LEGAL AND REGULATIONS

The company needs to follow laws and regulations in every country the company is operating in. If any legal & regulations have been breached, it will have a negative consequence on the Company's reputation. Therefore, Mermaid's legal team follows and updates all laws & regulations continuously.

Mermaid also believes that a good management of legal and regulations can deliver a positive impact to the business inter alia environmental benefits, safety of local people, better quality of services and lower project costs etc.

Mermaid is aware of the growing calls for more carbon neutral energy supply. In the event that demand for our services in the offshore hydrocarbon production industry decreases due to increased regulations concerning climate change and increased demand for greener alternatives, we have taken steps to diversify our business model from focusing principally on offshore asset installation and RIM work, to investing in alternative fields of offshore work and subsea engineering such as cable lay, offshore asset decommissioning and renewables.

In addition, Mermaid has also become actively engaged in commercial activities increasingly that are increasingly focused on emergent technologies, and is a significant partner in ZeaQuest, a joint venture company involved with ARV, a company heavily involved in the research and provision of newer types of offshore robotic vehicles.

CRITICAL INCIDENT RISK MANAGEMENT

Mermaid reported zero marine casualties and zero of port state control deficiencies or detentions.

The incident that occurred during the operation will directly impact the business, including the impact on the quality of services, project cost and company reputation.

The company will improve incident risk management by using HSE performance and project performance to avoid reoccurrence of incidents. All projects will prepare and provide risk assessments on each operation to mitigate the potential risks prior to the project start.

| Accidents and Incidents | Quantity |
|--|----------|
| Number of marine casualties, percentage classified as very serious | 0 |
| Number of conditions of class or recommendations | 0 |
| Number of port state control (1) deficiencies and (2) detentions | 0 |

TABLE 27: CRITICAL ACCIDENTS AND INCIDENTS, FY2021

| ESG INDEX |
|------------------|
| |

| Indicator | Description | Metric ID |
|-------------------|---|----------------------------|
| Environmental | | |
| GHG Emissions | The category addresses direct (Scope 1) greenhouse gas (GHG) emissions that a company generates through its operations. This includes GHG emissions from stationary (e.g., factories, power plants) and mobile sources (e.g., trucks, delivery vehicles, planes), whether a result of combustion of fuel or non-combusted direct releases during activities such as natural resource extraction, power generation, land use, or biogenic processes. The category further includes management of regulatory risks, environmental compliance, and reputational risks and opportunities, as they related to direct GHG emissions. Indirect emissions (Scope 2) GHG emissions are also considered here. | TR-MT-110a GRI 305-1,2 |
| Energy Management | The category addresses environmental impacts associated with energy consumption. It addresses the company's management of energy in manufacturing and/or for provision of products and services derived from utility providers (grid energy) not owned or controlled by the company. More specifically, it includes management of energy efficiency and intensity, energy mix, as well as grid reliance. | TR-MT-110a GRI 302-1,4 |
| Water Use | The category addresses a company's water use, water consumption, wastewater generation, and other impacts of operations on water resources. | GRI 305-3,4,5 |
| Waste Management | The category addresses environmental issues associated with hazardous and non-hazardous waste generated by companies. It addresses a company's management of solid wastes in manufacturing, agriculture, and other industrial processes. It covers treatment, handling, storage, disposal, and regulatory compliance. | GRI 306-3,4,5 |
| Ecological Impact | The category addresses management of the company's impacts on ecosystems and biodiversity through activities including, but not limited to, land use for exploration, natural resource extraction, and cultivation, as well as project development, construction, and siting. The impacts include, but are not limited to, biodiversity loss, habitat destruction, and deforestation at all stages – planning, land acquisition, permitting, development, operations, and site remediation. The category does not cover impacts of climate change on ecosystems and biodiversity. | EM-SV-160 GRI 304-2,3,4 |

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| Social | | |
|---|---|--------------------------|
| | | |
| Employee Engagement, I Diversity & Inclusion t | The category addresses a company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base. It addresses the issues of discriminatory practices on the bases of race, gender, ethnicity, religion, sexual orientation, and other factors. | GRI 404-1,2 SV-PS-330 |
| Employee Health & Safety | The category addresses a company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness (both chronic and acute). It is traditionally accomplished through implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of their own practices as well as those of their subcontractors | GRI 403-6,9810 |
| Labor Practice | The category addresses the company's ability to uphold commonly accepted labor standards in the workplace, including compliance with labor laws and internationally accepted norms and standards. This includes, but is not limited to, ensuring basic human rights related to child labor, forced or bonded labor, exploitative labor, fair wages and overtime pay, and other basic worker's rights. It also includes minimum wage policies and provision of benefits, which may influence how a workforce is attracted, retained, and motivated. The category further addresses a company's relationship with organized labor and freedom of association. | GRI 408-1 GRI 409-1 |
| Product Quality & Safety F | The category addresses issues involving unintended characteristics of products sold or services provided that may create health or safety risks to end-users. It addresses a company's ability to offer manufactured products and/or services that meet customer expectations with respect to their health and safety characteristics. It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing, and chemicals/content/ingredient management in products. | IF-EN-250 |

| 2 | Description | |
|--|--|-------------------------------------|
| 2 | | |
| Ž | The category addresses management of risks related to collection, retention, and use of sensitive, confidential, and/or proprietary customer or user data. It includes social issues that may arise from incidents such as data breaches in which personally identifiable information (PII) and other user or customer data may be exposed. | GRI 418-1 |
| λ | s the company's approach to managing risks and opportunities surrounding less, including fraud, corruption, bribery and facilitation payments, fiduciary st behavior that may have an ethical component. | GRI 205-2,3 |
| | The category addresses a company's approach to engaging with regulators in cases where conflicting corporate and public interests may have the potential for long-term adverse direct or indirect environmental and social impacts. The category addresses a company's level of reliance upon regulatory policy or monetary incentives (such as subsidies and taxes), actions to influence industry policy (such as through lobbying), overall reliance on a favorable regulatory environment for business competitiveness, and ability to comply with relevant regulations. It may relate to the alignment of management and investor views of regulatory engagement and compliance at large. | EM-SV-530 GRI 206-1 GRI 419-1 |
| Untical incident kisk ine category addresses the company's use of management systems and scen Management with significant of minimize the occurrence of low-probability, high emergencies with significant potential environmental and social externalities. | The category addresses the company's use of management systems and scenario planning to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. | TR-AF-540 CRI-410-1 |

MERMAID MARITIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

AND INDEPENDENT AUDITOR'S REPORT





KPMG Phoomchai Audit Ltd. 50th Floor, Empire Tower 1 South Sathorn Road, Yannawa Sathorn, Bangkok 10120, Thailand Tel +66 2677 2000 Fax +66 2677 2222 Website home.kpmg/th บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด ชั้น 50 เอ็มไพร์ทาวเวอร์ 1 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ 10120 โทร +66 2677 2000 แฟกซ์ +66 2677 2222 เว็บไซต์ home.kpmg/th

To the Shareholders of Mermaid Maritime Public Company Limited

Opinion

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I have audited the consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries (the "Group") and of Mermaid Maritime Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



| The impairment testing of property, plant and equipment and investments in subsidiaries | | | | | | |
|---|--|--|--|--|--|--|
| Refer to Notes 3, 9, and 11 to the consolidated and separate financial statements | | | | | | |
| The key audit matter | How the matter was addressed in the audit | | | | | |
| The Group had several cash-generating units ("CGUs") which generated losses from operations during the year, which management considered to be an indicator of impairment of those CGUs' property, plant and equipment, and the Company's investments in those | My audit procedures included: making inquiries of management and obtaining related documents to understand the process by which management has derived its value-in-use and enterprise value estimates; | | | | | |
| subsidiaries containing those CGUs as at 31 December 2021. | comparing forecast revenues to those achieved in prior periods; | | | | | |
| Therefore, management estimated the recoverable amounts of those CGUs' property, plant and equipment by using the higher of the property, plant and equipment's estimated value-in-use and fair value less costs to sell. For the recoverable amounts of those investments in subsidiaries, management estimated their enterprise values. | evaluating the DCF methodology and key assumptions applied in the DCF model; performing sensitivity tests by varying key assumptions; assessing the competency and independence of management's fair value less costs to sell valuation expert; using the work of external experts engaged by | | | | | |
| Management used the discounted cash flow forecast ("DCF") method to estimate value-in-use and enterprise value. In using the DCF method, there are key assumptions used to estimate future cash flows, which contain inherent uncertainty. Therefore, this is a key area of judgment on which my audit was focused. | using the work of external experts engaged by KPMG in evaluating methodologies and key assumptions used in assessing the fair value of assets; and considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards. | | | | | |

Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party

| Refer to Notes 3, 4 and 21 to the separate financial sta | atements. |
|--|---|
| The key audit matter | How the matter was addressed in the audit |
| The Company measured expected credit losses on other accounts receivables, short-term loans to related parties and long-term loan to related party are based on management's estimate of the lifetime expected credit loss, which involves significant management judgement, including the estimates of probability of default, loss given default, discount rate, and adjustments for forward looking information, and the result might have had a significant impact to the separate financial statements. | My audit procedures included: |



Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party

| Refer to Notes 3, 4 and 21 to the separate financial statements. | | | | | | |
|--|---|--|--|--|--|--|
| The key audit matter | How the matter was addressed in the audit | | | | | |
| I identified the measurement of expected credit losses as a key audit matter because other accounts receivable, short-term loans to related parties and long-term loan to related party are material to the Company and the recognition of expected credit loss requires the exercise of significant management judgement. | management estimation whether the assumptions used in making the accounting estimate are reasonable; testing the calculation of expected credit losses | | | | | |

Other Information

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

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

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

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

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

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

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

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



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

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

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

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

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

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



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Siripen Sukcharoenyingyong) Certified Public Accountant Registration No. 3636

KPMG Phoomchai Audit Ltd. Bangkok 28 February 2022



STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | Consolidated financial statements | | | |
|--|----------|-----------------------------------|--------------|------------|-----------|
| | | 31 December | | 31 De | cember |
| Assets | Note | 2021 | 2020 | 2021 | 2020 |
| | | (in thousand | d US Dollar) | (in thousa | and Baht) |
| Current assets | | | | | |
| Cash and cash equivalents | 5, 21 | 7,983 | 37,756 | 266,791 | 1,134,081 |
| Current investments | 21 | 2,874 | 9,714 | 96,049 | 291,780 |
| Trade and other accounts receivable | 4, 7, 21 | 75,698 | 35,296 | 2,529,820 | 1,060,191 |
| Short-term loans to related parties | 4, 21 | - | - | - | - |
| Supplies and spare parts | | 346 | 354 | 11,563 | 10,633 |
| Total current assets | - | 86,901 | 83,120 | 2,904,223 | 2,496,685 |
| | - | | | | |
| Non-current assets | | | | | |
| Restricted deposit at financial institutions | 6 | 8,187 | 9,193 | 273,609 | 276,131 |
| Investment in associate | 8 | 22,397 | 22,407 | 748,506 | 673,041 |
| Investment in joint ventures | 8 | 4,521 | 1,571 | 151,091 | 47,188 |
| Investment properties | 10 | 449 | 492 | 15,006 | 14,778 |
| Long-term loan to related party | 21 | 1,082 | - | 36,160 | - |
| Property, plant and equipment | 11 | 132,757 | 143,191 | 4,436,727 | 4,301,043 |
| Right-of-use assets | | 203 | 382 | 6,784 | 11,474 |
| Goodwill | 12 | - | - | - | - |
| Intangible assets | | 2,000 | 13 | 66,840 | 390 |
| Deferred tax assets | 19 | 57 | 54 | 1,905 | 1,622 |
| Other non-current assets | | 78 | 84 | 2,607 | 2,523 |
| Total non-current assets | - | 171,731 | 177,387 | 5,739,235 | 5,328,190 |
| | | | | | |
| Total assets | <u>.</u> | 258,632 | 260,507 | 8,643,458 | 7,824,875 |

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

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STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | Consolidated financial statements | | | | |
|---|-----------|-----------------------------------|--------------|-----------|-------------|--|
| | | 31 December | | 31 De | 31 December | |
| Liabilities and equity | Note | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousand | d US Dollar) | (in thous | and Baht) | |
| Current liabilities | | | | | | |
| Trade and other accounts payable | 4 | 42,763 | 22,443 | 1,429,134 | 674,123 | |
| Current portion of long-term borrowing | | | | | | |
| from parent company | 4, 13, 21 | 3,000 | - | 100,260 | - | |
| Current portion of long-term borrowings | | | | | | |
| from financial institution | 13, 21 | 14,209 | 13,544 | 474,863 | 406,822 | |
| Current portion of lease liabilities | 13 | 123 | 206 | 4,111 | 6,188 | |
| Current income tax payable | | 862 | 509 | 28,808 | 15,289 | |
| Total current liabilities | - | 60,957 | 36,702 | 2,037,176 | 1,102,422 | |
| Non-current liabilities | | | | | | |
| Long-term borrowing from parent company | 4, 13, 21 | 2,000 | - | 66,840 | - | |
| Long-term borrowings from financial | | | | | | |
| institution | 13, 21 | 32,485 | 43,869 | 1,085,645 | 1,317,698 | |
| Lease liabilities | 13 | 78 | 222 | 2,607 | 6,668 | |
| Provisions for employee benefits | 14 | 2,437 | 2,411 | 81,444 | 72,419 | |
| Total non-current liabilities | - | 37,000 | 46,502 | 1,236,536 | 1,396,785 | |
| | | | | | | |
| Total liabilities | _ | 97,957 | 83,204 | 3,273,712 | 2,499,207 | |



STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | Consolidated financial statements | | | |
|----------------------------------|-----------------------------------|--------------|-------------|-------------|
| - | 31 December | | 31 December | |
| Liabilities and equity | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thous | and Baht) |
| Equity | | | | |
| Share capital: | | | | |
| Authorized share capital | | | | |
| (1,416,700,697 ordinary shares, | | | | |
| par value at Baht 1 per share) | - | - | 1,416,701 | 1,416,701 |
| Issued and paid share capital | | | | |
| (1,413,328,857 ordinary shares, | | | | |
| par value at Baht 1 per share) | 47,322 | 47,322 | 1,413,329 | 1,413,329 |
| Share premium on ordinary shares | 343,536 | 343,536 | 12,271,678 | 12,271,678 |
| Deficit | (226,505) | (211,082) | (9,064,542) | (8,571,050) |
| Other components of equity | (3,392) | (2,196) | 764,029 | 225,892 |
| Equity attributable to owners of | | | | |
| the parent | 160,961 | 177,580 | 5,384,494 | 5,339,849 |
| Non-controlling interests | (286) | (277) | (14,748) | (14,181) |
| Total equity | 160,675 | 177,303 | 5,369,746 | 5,325,668 |
| | | | | |
| Total liabilities and equity | 258,632 | 260,507 | 8,643,458 | 7,824,875 |

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STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | | Separate finance | cial statements | al statements | |
|---|-------|--------------|------------------|-----------------|---------------|--|
| | | 31 December | | 31 De | cember | |
| Assets | Note | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousand | d US Dollar) | (in thousa | and Baht) | |
| Current assets | | | | | | |
| Cash and cash equivalents | 5, 21 | 5,319 | 26,128 | 177,760 | 784,809 | |
| Other accounts receivable | 4, 21 | 6,560 | 455 | 219,236 | 13,667 | |
| Short-term loans to related party | 4, 21 | - | | - | - | |
| Total current assets | | 11,879 | 26,583 | 396,996 | 798,476 | |
| | | | | | | |
| Non-current assets | | | | | | |
| Investment in associate | 8 | 22,507 | 22,507 | 752,182 | 676,045 | |
| Investment in joint venture | 8 | 213 | 213 | 7,118 | 6,398 | |
| Investment in subsidiaries | 9 | 55,370 | 55,362 | 1,850,460 | 1,662,914 | |
| Other non-current receivable to related party | 4, 21 | 15,204 | 19,666 | 508,116 | 590,710 | |
| Long-term loan to related party | 4, 21 | 32,796 | 36,397 | 1,096,039 | 1,093,260 | |
| Investment properties | 10 | 1,495 | 1,654 | 49,963 | 49,681 | |
| Property, plant and equipment | 11 | 90 | 108 | 3,009 | 3,245 | |
| Right-of-use assets | | 202 | 379 | 6,751 | 11,384 | |
| Intangible assets | | - | 5 | - | 150 | |
| Deferred tax assets | 19 | 57 | 54 | 1,905 | 1,622 | |
| Other non-current assets | | 48 | 52 | 1,604 | 1,562 | |
| Total non-current assets | | 127,982 | 136,397 | 4,277,147 | 4,096,971 | |
| | | | | | | |
| Total assets | | 139,861 | 162,980 | 4,674,143 | 4,895,447 | |



STATEMENT OF FINANCIAL POSITION

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | Separate financial statements | | | | |
|---|-------|-------------------------------|--------------|-------------|-------------|--|
| | | 31 December | | 31 De | 31 December | |
| Liabilities and equity | Note | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousan | d US Dollar) | (in thous | and Baht) | |
| Current liabilities | | | | | | |
| Other accounts payable | 4 | 714 | 710 | 23,861 | 21,326 | |
| Current portion of long-term borrowing | | | | | | |
| from parent company | 4, 13 | 3,000 | - | 100,260 | - | |
| Current portion of lease liabilities | 13 | 122 | 204 | 4,077 | 6,128 | |
| Total current liabilities | | 3,836 | 914 | 128,198 | 27,454 | |
| Non-current liabilities | | | | | | |
| Long-term borrowing from parent company | 4, 13 | 2,000 | - | 66,840 | - | |
| Lease liabilities | 13 | 78 | 221 | 2,607 | 6,638 | |
| Provisions for employee benefits | 14 | 317 | 274 | 10,594 | 8,230 | |
| Total non-current liabilities | | 2,395 | 495 | 80,041 | 14,868 | |
| Total liabilities | | 6,231 | 1,409 | 208,239 | 42,322 | |
| Equity | | | | | | |
| Share capital: | | | | | | |
| Authorized share capital | | | | | | |
| (1,416,700,697 ordinary shares, | | | | | | |
| par value at Baht 1 per share) | | - | | 1,416,701 | 1,416,701 | |
| Issued and paid share capital | | | | | | |
| (1,413,328,857 ordinary shares, | | | | | | |
| par value at Baht 1 per share) | | 47,322 | 47,322 | 1,413,329 | 1,413,329 | |
| Share premium on ordinary shares | | 343,536 | 343,536 | 12,271,678 | 12,271,678 | |
| Deficit | | (257,256) | (229,315) | (9,502,409) | (8,593,947) | |
| Other components of equity | | 28 | 28 | 283,306 | (237,935) | |
| Total equity | | 133,630 | 161,571 | 4,465,904 | 4,853,125 | |
| Total liabilities and equity | | 139,861 | 162,980 | 4,674,143 | 4,895,447 | |



STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | (| Consolidated fina | ncial statement | ts |
|---|-------|--------------|-------------------|-----------------|-------------|
| | | Year ended | 31 December | Year ended | 31 December |
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | (in thousand | d US Dollar) | (in thous | and Baht) |
| Revenue | | | | | |
| Revenue from rendering of services | 4 | 111,592 | 83,779 | 3,605,269 | 2,616,642 |
| Interest income | | 14 | 80 | 441 | 2,451 |
| Other income | 4 | 2,633 | 286 | 84,857 | 8,948 |
| Total revenue | - | 114,239 | 84,145 | 3,690,567 | 2,628,041 |
| Expenses | | | | | |
| Costs of rendering of services | 4, 16 | 113,225 | 95,352 | 3,660,601 | 2,983,319 |
| Administrative expenses | 4, 17 | 14,395 | 24,664 | 461,088 | 770,273 |
| Loss on disposal of investment in an associate | 8 | - | 68,085 | - | 2,132,885 |
| Net loss on foreign exchange | | 444 | 15 | 14,210 | 373 |
| Finance costs | | 1,629 | 2,229 | 51,997 | 69,845 |
| Total expenses | - | 129,693 | 190,345 | 4,187,896 | 5,956,695 |
| Share of profit (loss) of joint ventures and | | | | | |
| | | | | | |
| associates accounted for using equity method, net of tax | | 533 | (908) | 10 072 | (20 400) |
| net of tax | - | 222 | (908) | 18,823 | (28,408) |
| Loss before income tax expense | | (14,921) | (107,108) | (478,506) | (3,357,062) |
| Tax expense | 19 | 750 | 2,486 | 23,524 | 77,267 |
| Loss for the year | - | (15,671) | (109,594) | (502,030) | (3,434,329) |
| Other comprehensive income (expense) | | | | | |
| Items that will be reclassified subsequently to | | | | | |
| profit or loss | | | | | |
| Exchange differences on translating | | | | | |
| financial statements | | (1,259) | - | (42,023) | - |
| Translation adjustments | - | - | | 578,057 | 109,020 |
| Items that will not be reclassified to | | | | | |
| profit or loss | | | | | |
| Gain (loss) on remeasurements of defined | | | | | |
| benefit plans | 19 | 302 | (96) | 10,074 | (3,005) |
| Other comprehensive income (expense) for | 15 | 302 | (33) | 10,071 | (3,005) |
| the year, net of tax | | (957) | (96) | 546,108 | 106,015 |
| Total comprehensive (income) expense for the yea | ur - | (16,628) | (109,690) | 44,078 | (3,328,314) |
| | | (10,010) | | , | |



STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | | Consolidated fina | ancial statement | ts |
|--------------------------------------|------|--------------|-------------------|------------------|-------------|
| | | Year ended | 31 December | Year ended | 31 December |
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | (in thousand | d US Dollar) | (in thous | and Baht) |
| Profit (loss) attributable to: | | | | | |
| Owners of parent | | (15,724) | (109,654) | (503,533) | (3,436,176) |
| Non-controlling interests | | 53 | 60 | 1,503 | 1,847 |
| Loss for the year | - | (15,671) | (109,594) | (502,030) | (3,434,329) |
| Total comprehensive income (expense) | | | | | |
| attributable to: | | | | | |
| Owners of parent | | (16,619) | (109,745) | 44,645 | (3,330,005) |
| Non-controlling interests | | (9) | 55 | (567) | 1,691 |
| Total comprehensive (income) expense | | | | | |
| for the year | - | (16,628) | (109,690) | 44,078 | (3,328,314) |
| Basic losses per share | | (in US | Dollar) | (in l | Baht) |
| Basic losses per share | 20 | (0.0111) | (0.0776) | (0.3563) | (2.4313) |

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STATEMENT OF COMPREHENSIVE INCOME

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | | Separate financ | ial statements | |
|---|-------|--------------|-----------------|---------------------------|----------------------|
| | | Year ended 3 | 31 December | Year ended 3 | 31 December |
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | (in thousand | l US Dollar) | (in thousa | and Baht) |
| Revenue | | | | | |
| Management fee income | 4 | 420 | 420 | 13,402 | 13,166 |
| Interest income | 4 | 952 | 911 | 30,423 | 28,466 |
| Net gain on foreign exchange | | - | 169 | - | 5,521 |
| Other income | 4 | 437 | 323 | 13,814 | 10,113 |
| Total revenue | | 1,809 | 1,823 | 57,639 | 57,266 |
| Expenses | | | | | |
| Administrative expenses | 4, 17 | 3,447 | 125,365 | 109,495 | 3,858,414 |
| Loss on debt forgiveness to a subsidiary | 4 | 21,936 | 71,912 | 722,087 | 2,243,577 |
| Loss on disposal of investment in an associate | 8 | - | 7,406 | - | 232,006 |
| Net loss on foreign exchange | | 4,338 | - | 133,758 | - |
| Finance costs | | 24 | 11 | 776 | 343 |
| Total expenses | | 29,745 | 204,694 | 966,116 | 6,334,340 |
| Loss hofere income tex evenes | | (27,936) | (202,871) | (009.477) | (6,277,074) |
| Loss before income tax expense | 19 | (27,950) | (202,871) | (908,477) (149) | (0,277,074) (184) |
| Tax expense (income) Loss for the year | 19 | (27,937) | (202,865) | (908,328) | (6,276,890) |
| Other comprehensive income (overlappe) | | | | | |
| Other comprehensive income (expense) Items that will be reclassified subsequently to | | | | | |
| profit or loss | | | | | |
| Translation adjustments | | - | - | 521,241 | 124,375 |
| Items that will not be reclassified | | | | | |
| subsequently to profit or loss | | | | | |
| Loss on remeasurement of defined benefit plans | 19 | (4) | - | (134) | _ |
| Other comprehensive income (expense) | 19 | (4) | | (1)4/ | |
| for the year, net of tax | | (4) | - | 521,107 | 124,375 |
| Total comprehensive expense | | | | | |
| for the year | | (27,941) | (202,865) | (387,221) | (6,152,515) |
| Basic losses per share | | (in US | Dollar) | (in E | Baht) |
| Basic losses per share | 20 | (0.0198) | (0.1435) | (0.6427) | (4.4412) |
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| STATEMENT OF CHANGES IN EQUITY | |
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Mermaid Maritime Public Company Limited and Its Subsidiaries

Consolidated financial statements

| | | | Retained earnings/(Deficit) | ngs/(Deficit) | | Other components of equity | ents of equity | | | | |
|---|------------|----------------------------------|-----------------------------|---------------|----------------|----------------------------|----------------|-------------|------------------|-------------|-----------|
| | Issued and | | | | Translation of | | Changes in | Total other | Equity | Non- | |
| | paid share | Share premium | | | financial | Share-based | ownership | components | attributable to | controlling | Total |
| | capital | on ordinary shares Legal reserve | Legal reserve | Deficit | statements | payment | interests | of equity | owners of parent | interests | equity |
| | | | | | (in th | (in thousand US Dollar) | ar) | | | | |
| Year ended 31 December 2020 | | | | | | | | | | | |
| Balance at 1 January 2020 | 47,322 | 343,536 | · | (101,337) | 1,196 | 28 | (3,420) | (2,196) | 287,325 | (332) | 286,993 |
| | | | | | | | | | | | |
| Comprehensive income (expense) for the year | | | | | | | | | | | |
| Profit or loss | ı | ı | | (109,654) | · | ı | | | (109,654) | 60 | (109,594) |
| Loss on remeasurement of defined benefit plans | I | ı | · | (91) | ı | I | ı | ı | (91) | (2) | (96) |
| Total comprehensive income (expense) for the year | 1 | 1 | ı | (109,745) | , , | 1 | 1 | ı | (109,745) | 55 | (109,690) |
| Balance at 31 December 2020 | 47,322 | 343,536 | | (211,082) | 1,196 | 28 | (3,420) | (2,196) | 177,580 | (277) | 177,303 |
| | | | | | | | | | | | |

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

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STATEMENT OF CHANGES IN EQUITY Mermaid Maritime Public Company Limited and Its Subsidiaries

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| | | | I | | Consolidat | Consolidated financial statements | tements | | | | |
|---|------------|----------------------------------|-----------------------------|----------------|----------------|-----------------------------------|----------------|-------------|------------------|-------------|----------|
| | | | Retained earnings/(Deficit) | ings/(Deficit) | | Other components of equity | ents of equity | | | | |
| | lssued and | | | | Translation of | | Changes in | Total other | Equity | Non- | |
| | paid share | Share premium | | | financial | Share-based | ownership | components | attributable to | controlling | Total |
| | capital | on ordinary shares Legal reserve | Legal reserve | Deficit | statements | payment | interests | of equity | owners of parent | interests | equity |
| | | | | | (in th | (in thousand US Dollar) | ar) | | | | |
| Year ended 31 December 2021 | | | | | | | | | | | |
| Balance at 1 January 2021 | 47,322 | 343,536 | | (211,082) | 1,196 | 28 | (3,420) | (2,196) | 177,580 | (277) | 177,303 |
| | | | | | | | | | | | |
| Comprehensive income (expense) for the year | | | | | | | | | | | |
| Profit or loss | ı | · | ı | (15,724) | ı | I | ı | ı | (15,724) | 53 | (15,671) |
| Gain on remeasurement of defined benefit plans | · | · | I | 301 | ı | ı | ı | I | 301 | 1 | 302 |
| Exchange differences on | | | | | | | | | | | |
| translating financial statements | · | ı | ı | ı | (1,196) | ı | ı | (1,196) | (1,196) | (63) | (1,259) |
| Total comprehensive income (expense) for the year | 1 | I | 1 | (15,423) | (1,196) | | , | (1,196) | (16,619) | 6 | (16,628) |
| Balance at 31 December 2021 | 47,322 | 343,536 | | (226,505) | | 28 | (3,420) | (3,392) | 160,961 | (286) | 160,675 |

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

ANNUAL REPORT 2021 MERMAID MARITIME PUBLIC COMPANY LIMITED .
STATEMENT OF CHANGES IN EQUITY

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Mermaid Maritime Public Company Limited and Its Subsidiaries

| Retained earning s Legal reserve | | | | | | Consolidat | Consolidated financial statements | atements | | | | |
|--|---|------------|--------------------|---------------|----------------|----------------|-----------------------------------|----------------|-------------|------------------|-------------|-------------|
| Issued and paid share Share premium capital on ordinary shares Legal reserve 1,413,329 12,271,678 - t plans - t plans - | | | | Retained earn | ings/(Deficit) | | Other components of equity | ants of equity | | | | |
| paid share Share premium capital on ordinary shares Legal reserve 1,413,329 12,271,678 - t plans - t plans - | | Issued and | | | | Translation of | | Changes in | Total other | Equity | Non- | |
| capital on ordinary shares Legal reserve 1,413,329 12,271,678 - 1,413,329 12,271,678 - t plans - - t plans - - . - - . - - . - - . - - . - - | | paid share | Share premium | | | financial | Share-based | ownership | components | attributable to | controlling | Total |
| 1,413,329 12,271,678 - 1,413,329 12,271,678 - 1,413,329 12,271,678 - 1,413,329 - 1,413,320 - 1,413,320 - 1,413,320 - 1,413,320 - 1,413,320 | | capital | on ordinary shares | Legal reserve | Deficit | statements | payment | interests | of equity | owners of parent | interests | equity |
| 1,413,329 12,271,678 | | | | | | (in | (in thousand Baht) | (| | | | |
| 1,413,329 12,271,678 - t plans - - - . - - - . - - - . - - - . - - - . - - - | ided 31 December 2020 | | | | | | | | | | | |
| t plans | : at 1 January 2020 | 1,413,329 | 12,271,678 | • | (5,132,025) | 237,161 | 874 | (121,163) | 116,872 | 8,669,854 | (15,872) | 8,653,982 |
| t plans | | | | | | | | | | | | |
| | hensive income (expense) for the year | | | | | | | | | | | |
| | rofit or loss | · | ı | ı | (3,436,176) | ı | · | ı | ı | (3,436,176) | 1,847 | (3,434,329) |
| | oss on remeasurement of defined benefit plans | | ı | ı | (2,849) | | | ı | ı | (2,849) | (156) | (3,005) |
| | ranslation adjustments | ı | ı | ı | | 109,020 | | ı | 109,020 | 109,020 | ı | 109,020 |
| | omprehensive income (expense) for the year | | | • | (3,439,025) | 109,020 | • | | 109,020 | (3,330,005) | 1,691 | (3,328,314) |
| • | e at 31 December 2020 | 1,413,329 | 12,271,678 | | (8,571,050) | 346,181 | 874 | (121,163) | 225,892 | 5,339,849 | (14,181) | 5,325,668 |

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

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| Itemation | | | | Retained earnings/(Deficit) | nings/(Deficit) | | Other components of equity | nts of equity | | | | |
|--|---|------------|----------------------|-----------------------------|-----------------|----------------|----------------------------|---------------|-------------|------------------|-------------|-----------|
| paid shareShare premiumfinancialShare-basedownershipcomponentscapitalon ordinary shareslegal reserveDeficitstatementspaymentinterestsof equity1,413,32912,271,678-(8,571,050)346,181874(121,163)225,8921,413,32912,271,678-(8,571,050)346,181874(121,163)225,892t plans(10,011t plans10,041t plans10,041t plans10,041t plans | | Issued and | I | | - | Translation of | | Changes in | Total other | Equity | Non- | |
| capital on ordinary shares legal reserve Deficit statements payment interests of equity 1,413,329 12,271,678 - (8,571,050) 346,181 874 (121,163) 25,892 1,413,329 12,271,678 - (6,503,533) 346,181 874 (121,163) 225,892 t plans - - 10,041 - (503,533) - | | paid share | Share premium | | | financial | Share-based | ownership | components | attributable to | controlling | Total |
| (in thousand Baht) 1,413,329 12,271,678 - (8,571,050) 346,181 874 (121,163) 225,892 5.3 t plans - - (503,533) - (503,533) - - (1 t plans - - (503,533) - - (10,041) 225,892 5.3 t plans - - (10,041) - (10,041) - - (10,920) t plans - - 10,041 - - (10,920) - - (10,920) t plans - - - 10,041 - - - - - (10,920) - <td< th=""><th></th><th></th><th>on ordinary shares L</th><th>egal reserve</th><th>Deficit</th><th>statements</th><th>payment</th><th>interests</th><th>of equity</th><th>owners of parent</th><th>interests</th><th>equity</th></td<> | | | on ordinary shares L | egal reserve | Deficit | statements | payment | interests | of equity | owners of parent | interests | equity |
| 1,413,329 12,271,678 - (8,571,050) 346,181 874 (121,163) 225,892 5.3 t plans - - (503,533) - (503,533) - - - (1 t plans - - (503,533) - (503,533) - - - (1 t plans - - 10,041 - - - - (1 t plans - - 10,041 - - - - - (1 t plans - - 10,041 - - - - - - - - t plans - - 10,041 - - - - - - - - - t plans - - - 10,041 - - - - - - - t plans - | | | | | | (in | thousand Baht) | | | | | |
| 1,413,329 12,271,678 - (8,571,050) 346,181 874 (121,163) 225,892 5,3 t plans - - (503,533) - (503,533) - - (121,163) 225,892 5,3 t plans - - (503,533) - (503,533) - - (11,163) 225,892 5,3 t plans - - 10,041 - (39,920) - - (11,163) t plans - - 10,041 - - - (13,920) t plans - - 10,041 - - - - t plans - - 10,041 - - - - t plans - - 10,041 - - - - t plans - - - 10,041 - - - t plans - - - 10,041 - - - - t plans - - - 578,057 - - - - t plans - - - - - - - - t | Year ended 31 December 2021 | | | | | | | | | | | |
| t plans - - (503,533) - | Balance at 1 January 2021 | 1,413,329 | 12,271,678 | | (8,571,050) | 346,181 | 874 | (121,163) | 225,892 | 5,339,849 | (14,181) | 5,325,668 |
| t plans t | | | | | | | | | | | | |
| 5 - - (503,533) - | comprenensive income (expense) for the year | | | | | | | | | | | |
| 5 - - 10,041 - - - - - - - - - (39,920) - - (39,920) - - - - - (39,920) - - (39,920) - - - - - 578,057 - - 578,057 1 - - - - - - 538,137 - - 538,137 | Profit or loss | ı | ı | ı | (503,533) | ı | ı | ı | ı | (503,533) | 1,503 | (502,030) |
| (39,920) (39,920) | Gain on remeasurement of defined benefit plans | ı | ı | | 10,041 | | ı | | , | 10,041 | 33 | 10,074 |
| - - - (39,920) - (39,920) - - - - (39,920) - (39,920) - - - - 578,057 - 578,057 1 - - - - - 538,137 - 538,137 | Exchange differences on | | | | | | | | | | | |
| | translating financial statements | ı | ı | | · | (39,920) | ı | , | (39,920) | (39,920) | (2,103) | (42,023) |
| 538,137 538,137 | Translation adjustments | ı | ı | | | 578,057 | | | 578,057 | 578,057 | | 578,057 |
| | Total comprehensive income (expense) for the year | 1 | , | | (493,492) | 538,137 | . | | 538,137 | 44,645 | (567) | 44,078 |
| Balance at 31 December 2021 1,413,329 12,271,678 - (9,064,542) 884,318 874 (121,163) 764,029 5,384 | Balance at 31 December 2021 | 1,413,329 | 12,271,678 | | (9,064,542) | 884,318 | 874 | (121,163) | 764,029 | 5,384,494 | (14,748) | 5,369,746 |

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

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Consolidated financial statements

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Separate financial statements

| | | | | | | | Other components | |
|--|------|-----------------|--------------------|------------------------------------|-----------------------------|----------------|------------------|-----------|
| | | | | | Retained earnings/(Deficit) | ings/(Deficit) | of equity | |
| | | | | Differences arising | | | | |
| | | Issued and paid | Share premium | from common | | | Share-based | Total |
| | Note | share capital | on ordinary shares | control transactions Legal reserve | Legal reserve | Deficit | payment | equity |
| | | | | (in t | (in thousand US Dollar) | (| | |
| Year ended 31 December 2020 | | | | | | | | |
| Balance at 1 January 2020 | | 47,322 | 343,536 | (7,406) | | (26,450) | 28 | 357,030 |
| Comprehensive expense for the year | | | | | | | | |
| Loss | | ı | ı | ı | ı | (202,865) | ı | (202,865) |
| Total comprehensive expense for the year | | , | | , , | . | (202,865) | , | (202,865) |
| Transfer to profit and loss | 8 | , , | 1 | 7,406 | . | , , | | 7,406 |
| Balance at 31 Decemer 2020 | | 47,322 | 343,536 | , , | . | (229,315) | 28 | 161,571 |
| | | | | | | | | |

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

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| | | | | 0 | Other components | |
|--|-----------------|--------------------|-----------------------------|--------------|------------------|----------|
| | | | Retained earnings/(Deficit) | gs/(Deficit) | of equity | |
| | lssued and paid | Share premium | | | Share-based | Total |
| | share capital | on ordinary shares | Legal reserve | Deficit | payment | equity |
| | | | (in thousand US Dollar) | US Dollar) | | |
| Year ended 31 December 2021 | | | | | | |
| Balance at 1 January 2021 | 47,322 | 343,536 | | (229,315) | 28 | 161,571 |
| | | | | | | |
| Comprehensive expense for the year | | | | | | |
| Loss | ı | ı | ı | (27,937) | ı | (27,937) |
| Loss on remeasurement of defined benefit plans | ı | ı | I | (4) | ı | (4) |
| Total comprehensive expense for the year | | - - - | , , | (27,941) | 1 | (27,941) |
| Balance at 31 Decemer 2021 | 47,322 | 343,536 | I | (257,256) | 28 | 133,630 |
| | | | | | | |

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

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Separate financial statements

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| | | | | | Separate fir | Separate financial statements | | | | |
|---|------|-----------------|--------------------|----------------------|-----------------------------|-------------------------------|----------------|----------------------------|-------------|-------------|
| | | | | | Retained earnings/(Deficit) | ings/(Deficit) | Other | Other components of equity | equity | |
| | | | | Differences arising | | | Translation of | | Total other | |
| | | Issued and paid | Share premium | from common | | | financial | Share-based | components | Total |
| | Note | share capital | on ordinary shares | control transactions | Legal reserve | Deficit | statements | payment | of equity | equity |
| | | | | | (in the | (in thousand Baht) | | | | |
| Year ended 31 December 2020 | | | | | | | | | | |
| Balance at 1 January 2020 | | 1,413,329 | 12,271,678 | (239,757) | • | (2,317,057) | (363,184) | 874 | (362,310) | 10,765,883 |
| | | | | | | | | | | |
| Comprehensive income (expense) for the year | | | | | | | | | | |
| Loss | | | I | ı | | (6,276,890) | | | | (6,276,890) |
| Translation adjustments | | | I | I | | , | 124,375 | , | 124,375 | 124,375 |
| Total comprehensive income (expense) for the year | I | | 1 | 1 | | (6,276,890) | 124,375 | | 124,375 | (6,152,515) |
| Transfer to profit and loss | 8 | | I | 239,757 | | | | | | 239,757 |
| Balance at 31 December 2020 | I | 1,413,329 | 12,271,678 | . | . | (8,593,947) | (238,809) | 874 | (237,935) | 4,853,125 |

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| | | | Retained earnings/(Deficit) | gs/(Deficit) | Other | Other components of equity | quity | |
|---|-----------------|--------------------|-----------------------------|--------------------|----------------|----------------------------|-------------|-----------|
| | | | | | Translation of | | Total other | |
| | Issued and paid | Share premium | | | financial | Share-based | components | Total |
| | share capital | on ordinary shares | Legal reserve | Deficit | statements | payment | of equity | equity |
| | | | | (in thousand Baht) | 3aht) | | | |
| Year ended 31 December 2021 | | | | | | | | |
| Balance at 1 January 2021 | 1,413,329 | 12,271,678 | · | (8,593,947) | (238,809) | 874 | (237,935) | 4,853,125 |
| | | | | | | | | |
| Comprehensive income (expense) for the year | | | | | | | | |
| Loss | I | I | I | (908,328) | I | I | ı | (908,328) |
| Loss on remeasurement of defined benefit plans | ı | I | I | (134) | | I | , | (134) |
| Translation adjustments | ı | I | I | ı | 521,241 | ı | 521,241 | 521,241 |
| Total comprehensive income (expense) for the year | 1 | | 1 | (908,462) | 521,241 | 1 | 521,241 | (387,221) |
| Balance at 31 December 2021 | 1,413,329 | 12,271,678 | I | (9,502,409) | 282,432 | 874 | 283,306 | 4,465,904 |
| | | | | | | | | |

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

Separate financial statements



STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | С | onsolidated fina | ncial statement | s |
|---|--------------|------------------|-----------------|-------------|
| | Year ended | 31 December | Year ended 3 | 1 December |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thousa | nd Baht) |
| Cash flows from operating activities | | | | |
| Loss for the year | (15,671) | (109,594) | (502,030) | (3,434,329) |
| Adjustments to reconcile loss to cash receipts (payments) | | | | |
| Tax expense | 750 | 2,486 | 23,524 | 77,267 |
| Finance costs | 1,629 | 2,229 | 51,997 | 69,845 |
| Depreciation | 14,776 | 14,506 | 472,276 | 453,813 |
| Amortisation | 13 | 41 | 400 | 1,282 |
| Unrealised gain on exchange | (5,075) | (463) | (159,310) | (14,041) |
| Gain from revaluation of trading securities | (3) | (507) | (148) | (16,401) |
| Loss from revaluation of investment in mutual fund | 129 | - | 4,306 | - |
| (Gain) loss from sale of trading securities | (132) | 657 | (4,118) | 20,618 |
| Share of (profit) loss of joint ventures and associate | | | | |
| accounted for using equity method, net of tax | (533) | 908 | (18,823) | 28,408 |
| Impairment losses recognised in profit or loss | - | 2,066 | - | 63,250 |
| Impairment loss determine in accordance with TFRS9 | 688 | 7,940 | 22,590 | 248,329 |
| Loss from disposal of investment in an associate | - | 68,085 | - | 2,132,885 |
| Gain on liquidation of subsidiary | (1,258) | - | (41,990) | - |
| Gains on disposals of property, plant and equipment | | | | |
| and intangible assets | (791) | (24) | (24,407) | (777) |
| Interest income | (14) | (80) | (441) | (2,451) |
| Provision for employee benefits | 397 | 378 | 12,600 | 11,837 |
| Loss from write-off non-refundable withholding tax | 508 | 974 | 16,419 | 30,568 |
| | (4,587) | (10,398) | (147,155) | (329,897) |
| Changes in operating assets and liabilities | | | | |
| Restricted deposit at financial institutions | 1,006 | 2,075 | 33,620 | 62,327 |
| Trade and other accounts receivable | (20,204) | 10,196 | (675,215) | 306,258 |
| Supplies and spare parts | 8 | 265 | 267 | 7,960 |
| Other non-current assets | 1 | 22 | 33 | 661 |
| Trade and other accounts payable | 21,574 | (7,566) | 721,000 | (227,261) |
| Exchange rate losses from translating | | | | |
| financial statements | (1) | - | (33) | - |
| Translation adjustments | - | - | 117,528 | 18,817 |
| Net cash generated from (used in) operating activities | (2,203) | (5,406) | 50,045 | (161,135) |
| Provision for employee benefit paid | (73) | (109) | (2,371) | (3,404) |
| Taxes paid | (580) | (624) | (18,080) | (19,764) |
| Net cash from (used in) operating activities | (2,856) | (6,139) | 29,594 | (184,303) |

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

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STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | C | onsolidated fina | ncial statement | s |
|--|--|------------------|-----------------|------------|
| | Year ended 3 | 31 December | Year ended 3 | 1 December |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | US Dollar) | (in thousai | nd Baht) |
| Cash flows from investing activities | | | | |
| Proceed from sale of current investments | 18,790 | 4,343 | 627,960 | 130,451 |
| Acquisition of current investments | (11,945) | (2,000) | (399,201) | (60,074) |
| Increase in long-term loan to related party | (1,140) | - | (38,099) | - |
| Increase in long-term loan to other party | - | (498) | - | (14,958) |
| Proceeds from sale of property, plant and equipment | | | | |
| and intangible assets | 2,275 | 36 | 76,030 | 1,081 |
| Acquisition of property, plant and equipment | | | | |
| and intangible assets | (8,638) | (10,660) | (288,681) | (320,195) |
| Acquisition of support vessel | (16,000) | - | (534,718) | - |
| Proceeds from sale of interest in associate | - | 31,000 | - | 931,150 |
| Acquisition of interest in joint venture | (2,557) | (35) | (85,455) | (1,051) |
| Interest received | 14 | 135 | 468 | 4,055 |
| Net cash from (used in) investing activities | (19,201) | 22,321 | (641,696) | 670,459 |
| Cash flows from financing activities | | | | |
| Proceeds from short-term borrowings from financial institution | 1,500 | _ | 50,130 | _ |
| Repayment of short-term borrowings from financial institution | (1,500) | (244) | (50,130) | (7,329) |
| Proceeds from long-term borrowings from financial institution | 2,992 | 7,960 | 99,992 | 239,095 |
| Repayment of long-term borrowings from financial institution | (13,768) | (6,400) | (460,125) | (192,237) |
| Proceeds from long-term borrowings from parent company | 5,000 | - | 167,100 | - |
| Payment of lease liabilities | (228) | (99) | (7,620) | (2,974) |
| Finance costs paid | (1,569) | (2,179) | (50,056) | (68,284) |
| Net cash used in financing activities | (7,573) | (962) | (250,709) | (31,729) |
| ····· ······ | (, , , , , , , , , , , , , , , , , , , | | (;; | |
| Net increase (decrease) in cash and cash equivalents, | | | | |
| before effect of exchange rates | (29,630) | 15,220 | (862,811) | 454,427 |
| Effect of exchange rates changes on cash and | | | | |
| cash equivalents | (143) | 40 | (4,479) | 1,310 |
| Net increase (decrease) in cash and cash equivalents | (29,773) | 15,260 | (867,290) | 455,737 |
| Cash and cash equivalents at 1 January | 37,756 | 22,496 | 1,134,081 | 678,344 |
| Cash and cash equivalents at 31 December | 7,983 | 37,756 | 266,791 | 1,134,081 |
| Non-cash transactions | | | | |
| Acquisition of interest in joint venture | 136 | - | 4,545 | - |
| Receivables for sales of property, plant and equipment | _ | 26 | - | 781 |
| Receivable for sales of support vessel | 16,000 | - | 534,718 | - |
| Payables for purchase of property, plant and equipment | 551 | 1,912 | 18,414 | 57,431 |
| Lease agreements for purchase of equipment | - | 528 | | 15,860 |
| Louis agreements for parentase or equipment | | 520 | | 10,000 |

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



STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | Separate financ | ial statements | |
|---|--------------|-----------------|----------------|-------------|
| | Year ended 3 | 1 December | Year ended 3 | 1 December |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | US Dollar) | (in thousa | nd Baht) |
| Cash flows from operating activities | | | | |
| Loss for the year | (27,937) | (202,865) | (908,328) | (6,276,890) |
| Adjustments to reconcile loss to cash receipts (payments) | | | | |
| Tax expense (income) | 1 | (6) | (149) | (184) |
| Depreciation | 376 | 369 | 12,016 | 11,528 |
| Amortization | 5 | 7 | 158 | 221 |
| Unrealised (gain) loss on exchange | 5,453 | (918) | 167,739 | (115,830) |
| Loss on disposal of investment in an associate | - | 7,406 | - | 232,006 |
| Loss on debt forgiveness to a subsidiary | 21,936 | 71,912 | 722,087 | 2,243,577 |
| Gain from revaluation of trading securities | - | - | (28) | - |
| Loss from sale of trading securities | 37 | - | 1,220 | - |
| Impairment loss recognised in profit or loss | - | 101,597 | - | 3,110,352 |
| Impairment loss determine in accordance with TFRS9 | - | 6,442 | - | 197,219 |
| Loss from loan transfer from a subsidiary | - | 13,373 | - | 427,231 |
| Gain on disposal of property, plant and equipment | | | | |
| and intangible assets | (3) | (26) | (94) | (815) |
| Interest income | (952) | (911) | (30,423) | (28,466) |
| Provision for employee benefits | 41 | 32 | 1,321 | 1,001 |
| Loss from write-off non-refundable withholding tax | - | 25 | - | 765 |
| | (1,043) | (3,563) | (34,481) | (198,285) |
| Changes in operating assets and liabilities | | | | |
| Receivables from related parties | (5,877) | 50,701 | (196,409) | 1,522,911 |
| Other accounts receivable | 5 | 57 | 167 | 1,712 |
| Other non-current assets | (17,473) | (19,694) | (583,946) | (591,551) |
| Other accounts payable | (17) | (78) | (568) | (2,342) |
| Translation adjustments | - | - | 88,058 | 90,879 |
| Net cash generated from (used in) operating activities | (24,405) | 27,423 | (727,179) | 823,324 |
| Provision for employee benefit paid | (6) | - | (200) | - |
| Taxes paid | (7) | (27) | (224) | (845) |
| Net cash from (used in) operating activities | (24,418) | 27,396 | (727,603) | 822,479 |
| | | | | |
| Cash flows from investing activities | | | | |
| Proceeds from sale of current investments | 8,907 | - | 297,671 | - |
| Acquisition of current investments | (8,945) | - | (298,941) | - |
| Increase in short-term loans to related party | - | (5,000) | - | (150,186) |
| Increase in long-term loans to related party | (1,140) | - | (38,099) | - |
| Proceeds from sale of property, plant and equipment | | | | |
| and intangible assets | 3 | 26 | 100 | 781 |
| Acquisition of property, plant and equipment | (11) | (47) | (368) | (1,412) |
| Acquisition of interest in subsidiaries | (8) | - | (267) | - |
| Interest received | 2 | 5 | 67 | 150 |
| Net cash used in investing activities | (1,192) | (5,016) | (39,837) | (150,667) |

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

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STATEMENT OF CASH FLOWS

Mermaid Maritime Public Company Limited and Its Subsidiaries

| | | Separate financ | ial statements | |
|--|--------------|-----------------|----------------|-------------|
| | Year ended | 31 December | Year ended | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thousa | and Baht) |
| Cash flows from financing activities | | | | |
| Proceeds from long-term borrowings from parent company | 5,000 | - | 167,100 | - |
| Payment of lease liabilities | (225) | (97) | (7,519) | (2,914) |
| Net cash from (used in) financing activities | 4,775 | (97) | 159,581 | (2,914) |
| Net increase (decrease) in cash and cash equivalents, | | | | |
| before effect of exchange rates | (20,835) | 22,283 | (607,859) | 668,898 |
| Effects of exchange rate changes on cash and | | | | |
| cash equivalents | 26 | (30) | 810 | (936) |
| Net increase (decrease) in cash and cash equivalents | (20,809) | 22,253 | (607,049) | 667,962 |
| Cash and cash equivalents at 1 January | 26,128 | 3,875 | 784,809 | 116,847 |
| Cash and cash equivalents at 31 December | 5,319 | 26,128 | 177,760 | 784,809 |
| Non-cash transactions | | | | |
| Lease agreements for purchase of equipment | 199 | 522 | 6,651 | 15,679 |

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



NOTES TO THE FINANCIAL STATEMENTS

Mermaid Maritime Public Company Limited and Its Subsidiaries For the year ended 31 December 2021

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2022.

1 General information

Mermaid Maritime Public Company Limited (the "Company") is a public company limited which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited. The Company's registered office at 26/28-29 Orakarn Building, 9th floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand.

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

The Company and its subsidiaries (the "Group"), provide a wide range of services to the offshore oil & gas industries. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle ("ROV") systems, ownership and operations of a fleet of offshore service vessels and decommissioning service.

Details of the Company's subsidiaries, associates, and joint venture as at 31 December 2021 and 2020 were as follows:

| Name of the entities | Nature of business | Country of incorporation | Direct/ holdin | Indirect Ig (%) |
|--|---|--------------------------|------------------------|------------------------|
| | | · | 31 December 2021 | 31 December 2020 |
| Subsidiaries | | | | |
| Mermaid Subsea Services (Thailand) Ltd., which has five subsidiaries and one joint venture as follows: | Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry | Thailand | 100.0 | 100.0 |
| Subsidiaries | | | | |
| Seascape Surveys Pte. Ltd., | Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry | Singapore | 100.0 | 100.0 |
| Mermaid Offshore Services Pte. Ltd. | Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry | Singapore | 100.0 | 100.0 |
| Mermaid Subsea Services (Malaysia) Sdn. Bhd. ⁽¹⁾ | 33 | Malaysia | 45.0 | 45.0 |
| Mermaid Subsea Services (UK) Ltd. | " | United Kingdom | 100.0 | 100.0 |

| Name of the entities | Nature of business | Country of incorporation | Direct/I holdin | g (%) |
|---|--|--------------------------|------------------------|------------------------|
| | | | 31 December 2021 | 31 December 2020 |
| Mermaid Subsea Oil and Gas Services DMCEST, which has one joint venture as follows: | Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry | United Arab Emirates | 100.0 | - |
| Millennium 3 Ship Management And Operations DMCCO <i>Joint venture</i> | Vessels management and operation | United Arab Emirates | 50.0 | - |
| ZeaQuest Co., Ltd. | Robotics and artificial intelligence developer and commercial subsea engineering service provider | Thailand | 50.0 | 50.0 |
| Mermaid Drilling Ltd., which has three subsidiaries as follows: | Production and exploration drilling services | Thailand | 95.0 | 95.0 |
| MTR - 1 Ltd. ⁽³⁾ | Drilling services | Thailand | - | 95.0 |
| MTR - 2 Ltd. | 22 | Thailand | 95.0 | 95.0 |
| Mermaid Drilling (Malaysia) Sdn. Bhd. ⁽²⁾ | " | Malaysia | - | 95.0 |
| Mermaid Maritime Mauritius Ltd., which has one subsidiary as follows: | Investment holding | Mauritius | 100.0 | 100.0 |
| Mermaid International Ventures, which has one subsidiary as follows: | | Cayman | 100.0 | 100.0 |
| Mermaid Subsea Services (International) Ltd., which has two subsidiaries as follows: | Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry | Seychelles | 100.0 | 100.0 |
| Mermaid Subsea Services Saudi Arabia Co., Ltd. | 27 | Saudi Arabia | 95.0 | 95.0 |
| Mermaid Subsea Services LLC ⁽¹⁾ Mermaid Venture Co., Ltd. (formerly Mermaid-MOE JV Co., Ltd.) which has one joint venture as follows: | " Investment holding | Qatar Thailand | 49.0 100.0 | 49.0 100.0 |
| KK Venture Co.,Ltd. | Technology-based businesses | Thailand | 50.0 | - |
| <i>Associate</i> PTGC Co., Ltd. | Real estate | Cambodia | 49.0 | 49.00 |
| <i>Joint venture</i> Zamil Mermaid Offshore Services Co. (LLC) | Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry | Saudi Arabia | 40.0 | 40.00 |

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

- ⁽²⁾ Mermaid Drilling (Malaysia) Sdn. Bhd. was deregistered on 5 July 2021.
- ⁽³⁾ MTR-1 Ltd. was liquidated on 23 December 2021.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), guidelines promulgated by the Federation of Accounting Professions. The accounting policies are described in note 3 have been applied consistently to all periods presented in these financial statements.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are stated in US Dollar, which is the Company's functional currency, and Thai Baht, which is the Company's designated presentation currency and accordingly the Company has prepared financial statements in both US Dollar and Thai Baht. The basis of the translation from the functional currency (US Dollar) to the presentation currency (Thai Baht) is disclosed in Note 3(c).

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition of the non-controlling interests with no change in control are accounted for as other surpluses in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of the statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, lease receivables, and loan commitments issued which are not measured at FVTPL

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

Restricted deposit

Deposit that have a restriction of use are presented separately in account "Restricted Deposit at financial institution" in the statement of financial position.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts are measured at the lower of cost and net realisable value. Bunker supplies are calculated using the first-in, first-out principle. Vessel supplies and spare parts are calculated using the weighted average principle. Supplies and spare parts are calculated using the weighted average principle.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes and capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and building improvement of 10 and 20 years and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of selfconstructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located, Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Differences between the proceeds from disposal and the carrying amount of property, plant and equipment and are recognised in profit or loss.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

| The estimated useful lives are as follows: | | |
|--|-----------|-------|
| Buildings and building improvement | 10 and 20 | years |
| Offshore support vessels | 5 to 30 | years |
| Motor launches | 10 | years |
| Dry-docking | 2.5 and 5 | years |
| Tools and equipment | 3 to 20 | years |
| Office equipment | 3 to 5 | years |
| Motor vehicles | 5 to 10 | years |

The estimated useful lives of support vessels are based on their remaining useful lives at the acquisition date. Depreciation is calculated based on a component approach on the cost of the vessels less an estimated residual value.

Expenditures incurred during inspections, major repairs, or dry-docking are recognised in the carrying amount of property, plant, and equipment as a replacement if the recognition criteria are satisfied. Dry-docking costs are considered a separate component of the vessels' cost that have a different pattern of economic benefits and are therefore depreciated separately. Dry-docking expenses are amortised over the period until the next scheduled dry-docking up to a maximum of 5 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

(k) Intangible assets

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:1, 3 and 5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when its conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of revenue from rendering of services. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from rendering of services. Contingent rents are recognised as revenue from rendering period in which they are earned.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 4(d).

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cashgenerating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Employee benefits

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted o the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(r) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognised.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other related parties which the group had significant transaction during the period with were as follows;

| Name of entities | Country of incorporation/ nationality | Nature of relationship |
|--|---|--|
| Thoresen Thai Agencies Public Company Limited | Thailand | Ultimate parent company, some common directors |
| Thoresen & Company (Bangkok) Limited | Thailand | 99.9% holding by a subsidiary of ultimate parent company |
| Unique Mining Services Public Company Limited | Thailand | 92.9% holding by the ultimate parent company |
| PSM Land Company Limited | Thailand | One of the director of ultimate parent company is a major shareholder |
| Natural Bev Co., Ltd. | Thailand | One of the director of ultimate parent company is a major shareholder |
| PT Seascape Surveys Indonesia | Indonesia | A subsidiary is a major shareholder, 10% or more shareholding |
| Key management personnel | Thai | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group |

| Significant transactions with related parties | Consolidated financial statements | | | |
|---|-----------------------------------|--------------|-----------|---------------------------------------|
| Year ended 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Parent | | | | |
| Other income | - | 7 | - | 216 |
| Administrative expenses | 15 | 67 | 497 | 2,108 |
| Associates | | | | |
| Other income | - | 67 | - | 2,051 |
| Joint venture | | | | |
| Rendering of services | 58,478 | 56,665 | 1,871,234 | 1,772,663 |
| Other income | 745 | - | 23,825 | - |
| Costs of rendering of services | 2,008 | 80 | 66,992 | 2,539 |
| Administrative expenses | - | 1 | - | 32 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefits | 941 | 1,474 | 29,960 | 46,173 |
| Post-employment benefits | 6 | 6 | 190 | 195 |
| Total key management personnel | | | | |
| compensation | 947 | 1,480 | 30,150 | 46,368 |
| Other related parties | | <u> </u> | i | · · · · · · · · · · · · · · · · · · · |
| Other income | - | 10 | - | 319 |
| Administrative expenses | 58 | 58 | 1,852 | 1,814 |
| Significant transactions with related parties | Separate financial statements | | | |

| Significant transactions with related parties | | Separate finan | cial statements | |
|---|-------------|----------------|-----------------|-----------|
| Year ended 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousar | nd US Dollar) | (in thous | and Baht) |
| Parent | | | | |
| Other income | - | 7 | - | 216 |
| Administrative expenses | 11 | 67 | 363 | 2,108 |
| Associates | | | | |
| Other income | - | 24 | - | 735 |
| Subsidiaries | | | | |
| Management fee income | 420 | 420 | 13,430 | 13,166 |
| Interest income | 951 | 910 | 30,394 | 28,434 |
| Other income | 259 | 265 | 8,083 | 8,318 |
| Administrative expenses | - | 11 | - | 343 |
| Loss on debt forgiveness | 21,936 | 71,912 | 722,087 | 2,201,557 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefits | 941 | 1,474 | 29,960 | 46,173 |
| Post-employment benefits | 6 | 6 | 190 | 195 |
| Total key management personnel | | | | |
| compensation | 947 | 1,480 | 30,150 | 46,368 |
| Other related parties | | | | |
| Other income | - | 10 | - | 319 |
| Administrative expenses | 57 | 58 | 1,819 | 1,814 |
| • | | | | |

Balances as at 31 December with related parties were as follows:

| | Consolidated financial statements | | | |
|--|-----------------------------------|--------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thous | and Baht) |
| Trade accounts receivable | | | | |
| Joint venture | 10,155 | 10,749 | 339,379 | 322,869 |
| Net | 10,155 | 10,749 | 339,379 | 322,869 |
| | | <u> </u> | <u> </u> | |
| Other receivables | | | | |
| Parent | - | 4 | - | 120 |
| Associate | 65 | 37 | 2,172 | 1,112 |
| Joint venture | 16,000 | 73 | 534,718 | 2,193 |
| Other related parties | 7,542 | 7,542 | 252,053 | 226,540 |
| | 23,607 | 7,656 | 788,943 | 229,965 |
| Less allowance for expected credit loss | (7,542) | (7,542) | (252,053) | (226,540) |
| Net | 16,065 | 114 | 536,890 | 3,425 |
| · · · · | | | | |
| Loans to | 1 000 | | 26460 | |
| Joint venture | 1,082 | - | 36,160 | - |
| Other related parties | 18,350 | 18,350 | 613,255 | 551,181 |
| | 19,432 | 18,350 | 649,415 | 551,181 |
| Less allowance for expected credit loss | (18,350) | (18,350) | (613,255) | (551,181) |
| Net | 1,082 | - | 36,160 | - |
| Expected credit losses for the year ended 31 December | | | | |
| Other receivables | - | 2,142 | - | 67,102 |
| Loans to | - | 5,371 | - | 168,256 |

| | Consolidated financial statements | | | |
|-------------------------|-----------------------------------|--------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Trade accounts payables | | | | |
| Joint venture | 633 | 173 | 21,155 | 5,196 |
| Other related parties | 427 | 17 | 14,270 | 511 |
| Total | 1,060 | 190 | 35,425 | 5,707 |
| Other accounts payables | | | | |
| Parent | 9 | - | 301 | - |
| Other related parties | 617 | - | 20,620 | - |
| Total | 626 | - | 20,921 | - |
| | | | | |
| Long-term loan from | | | | |
| Parent | 5,000 | - | 167,100 | - |
| Total | 5,000 | - | 167,100 | - |

Long-term borrowings for support working capital were granted by Parent company and were denominated in US Dollar, having a total outstanding balance of US Dollar 5.0 million as at 31 December 2021 with repayment terms until June 2023. These borrowings bear interest at the rate 7% per annum.

| | Separate financial statements | | | |
|--|-------------------------------|--------------|-----------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | sand Baht) |
| Other receivables | | | | |
| Parent | - | 4 | - | 120 |
| Subsidiaries | 9,064 | 2,977 | 302,919 | 89,420 |
| Associate | 65 | 37 | 2,172 | 1,112 |
| Joint Venture | - | 30 | - | 901 |
| | 9,129 | 3,048 | 305,091 | 91,553 |
| Less allowance for expected credit loss | (2,809) | (2,809) | (93,876) | (84,374) |
| Net | 6,320 | 239 | 211,215 | 7,179 |
| Expected credit losses for the year ended 31 December | | | | |
| Other receivables | - | 1,127 | - | 34,502 |

Other receivable from transferred investment in associates under common control

On 26 September 2014, the Company agreed to transfer the investment in associates, Asia offshore Drilling Group, to a subsidiary, Mermaid International Ventures ("MIV") at cost of US Dollar 97.6 million for consideration received of Baht 2,899.0 million or equivalent to US Dollar 90.2 million. During the year ended 31 December 2020, the Company received cash from an indirect subsidiary of US Dollar 17.2 million and the Company forgiveness of the remaining debt due from an indirect subsidiary. As a result, the Company accounted for losses from debt forgiveness by US Dollar 71.9 million as other expense in separate financial statements.

| | Separate financial statements | | | |
|--|-------------------------------|--------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Other non-current receivables | | | | |
| Subsidiaries | 42,747 | 50,304 | 1,428,600 | 1,510,987 |
| Less allowance for expected credit loss | (27,543) | (30,638) | (920,484) | (920,277) |
| Net | 15,204 | 19,666 | 508,116 | 590,710 |
| | | | | |
| Loans to | | | | |
| Subsidiaries | 61,489 | 67,518 | 2,054,956 | 2,028,044 |
| Less allowance for expected credit loss | (28,693) | (31,121) | (958,917) | (934,784) |
| Net | 32,796 | 36,397 | 1,096,039 | 1,093,260 |
| | | · | | |
| Expected credit losses for the year ended 31 December | | | | |
| Other non-current receivables | 21,927 | - | 721,791 | - |
| Loans to | - | 5,315 | - | 162,717 |

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

| | Separate financial statements | | | |
|------------------------|-------------------------------|--------------|-----------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thou: | sand Baht) |
| Other accounts payable | | | | |
| Parent | 9 | - | 301 | - |
| Subsidiaries | 55 | 31 | 1,838 | 931 |
| Total | 64 | 31 | 2,139 | 931 |
| | | | | |
| Long-term loan from | | | | |
| Parent | 5,000 | - | 167,100 | - |
| Total | 5,000 | - | 167,100 | - |

5 Cash and cash equivalents

| | Consolidated financial statements | | | |
|--------------|-----------------------------------|-----------------|----------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Cash on hand | 79 | 34 | 2,640 | 1,021 |
| Cash at bank | 7,904 | 37,722 | 264,151 | 1,133,060 |
| Total | 7,983 | 37,756 | 266,791 | 1,134,081 |
| | | | | |
| | | Separate financ | ial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thousa | and Baht) |
| Cash on hand | 1 | 1 | 33 | 30 |
| Cash at bank | 5,318 | 26,127 | 177,727 | 784,779 |
| Total | 5,319 | 26,128 | 177,760 | 784,809 |

6 Restricted deposit at financial institutions

Consolidated financial statements

As at 31 December 2021, US Dollar 8.0 million or equivalent to Baht 267.4 million *(2020: US Dollar 8.0 million or equivalent to Baht 240.1 million)* restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest.

As at 31 December 2021, US Dollar 0.2 million or equivalent to Baht 6.7 million (2020: US Dollar 1.2 million or equivalent to Baht 36.0 million) restricted deposit at financial institutions were deposited by subsidiaries to secure the performance guarantee from the financial institution.

7 Trade accounts receivable

| | Consolidated financial statements | | | |
|---|-----------------------------------|---------------|-----------|------------|
| At 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousar | nd US Dollar) | (in thou | sand Baht) |
| Within credit terms | 15,731 | 13,903 | 525,728 | 417,605 |
| Overdue: | | | | |
| Less than 3 months | 17,227 | 5,818 | 575,725 | 174,756 |
| 3-6 months | 5,768 | 984 | 192,766 | 29,557 |
| 6-12 months | 1,310 | 1,020 | 43,780 | 30,638 |
| Over 12 months | 3,620 | 3,149 | 120,980 | 94,587 |
| | 43,656 | 24,874 | 1,458,979 | 747,143 |
| Less allowance for expected credit loss | (4,032) | (3,344) | (134,749) | (100,444) |
| Net | 39,624 | 21,530 | 1,324,230 | 646,699 |
| Contract asset - accrued income | 7,679 | 1,596 | 256,631 | 47,939 |
| Retention receivables | 6,513 | 7,028 | 217,664 | 211,101 |
| Total | 53,816 | 30,154 | 1,798,525 | 905,739 |
| | | | | |

| Allowance for expected credit loss | C | onsolidated fina | ncial statemer | nts |
|------------------------------------|--------------|------------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | 1 US Dollar) | (in thou | sand Baht) |
| At 1 January | 3,344 | 4,220 | 100,444 | 127,250 |
| Addition | 885 | 272 | 28,894 | 8,404 |
| Reversal | (197) | (343) | (6,303) | (10,678) |
| Write-off | - | (805) | - | (25,186) |
| Translation adjustments | - | - | 11,714 | 654 |
| At 31 December | 4,032 | 3,344 | 134,749 | 100,444 |

Information of credit risk is disclosed in note 21 (b.1).

| joint ventures |
|----------------|
| and j |
| ต |
| associate |
| ⊒. |
| Investment |
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| | | | | | | | Consolidated 1 | Consolidated financial statements | nts | | | |
|---------------------------------------|---------------------------|---------------|-------|-----------|--------------------|--------------------|----------------|-----------------------------------|------------------------|---------|-----------|-----------------|
| | Type of business | Country of | Owne | Ownership | | | | | | | Dividence | Dividend income |
| | | incorporation | inte | interest | Paid-up | Paid-up capital | Cost | st | Equ | Equity | For th | For the year |
| | | I | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Accoriate | | | | (%) | | | | | un thousand US Vollary | voliary | | |
| Direct associate | | | | | | | | | | | | |
| PTGC Co., Ltd. | Real estate | Cambodia | 49.00 | 49.00 | USD 19 million | USD 19 million | 22,507 | 22,507 | 22,397 | 22,407 | • | |
| Total | | | | | | | 22,507 | 22,507 | 22,397 | 22,407 | • | . |
| | | | | | | | | | | | | |
| Joint ventures | | | | | | | | | | | | |
| Direct joint venture | | | | | | | | | | | | |
| Zamil Mermaid | Inspection, installation, | | | | | | | | | | | |
| Offshore Services | repair and maintenance | Ð | | | | | | | | | | |
| Co. (LLC) | services for Offshore | | | | | | | | | | | |
| | Oil and Gas industry | Saudi Arabia | 40.00 | 40.00 | SAR 2 million | SAR 2 million | 213 | 213 | 1,639 | 1,571 | • | |
| Indirect joint | | | | | | | | | | | | |
| ventures | | | | | | | | | | | | |
| ZeaQuest Co., Ltd. | Robotics and artificial | | | | | | | | | | | |
| | intelligence developer | | | | | | | | | | | |
| | and commercial subsea | а | | | | | | | | | | |
| | engineering service | | | | | | | | | | | |
| | provider | Thailand | 50.00 | 50.00 | THB 155 million | THB 2,194 thousand | 2,577 | 35 | 1,505 | 1 | • | |
| KK Venture Co., Ltd. Technology-based | Technology-based | | | | | | | | | | | |
| | businesses | Thailand | 50.00 | | THB 1,000 thousand | · | 16 | ı | I | I | ı | ı |
| Millennium 3 Ship | | | | | | | | | | | | |
| Management And | | | | | | | | | | | | |
| Operations | Vessels management and | United Arab | | | | | | | | | | |
| DMCCO | operation | Emirates | 50.00 | · | AED 1,000 thousand | · | 136 | · | 1,377 | ı | I | · |
| Total | | | | | | | 2,942 | 248 | 4,521 | 1,571 | ١ | • |
| | | | | | | | | | | | | |

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| | | | | | | | Consolidated f | Consolidated financial statements | nts | | | |
|----------------------|---------------------------|---------------|-----------|-------------|--------------------|--------------------|----------------|-----------------------------------|--------------------------------|------------------------|-----------------|--------|
| | Type of business | Country of | Ownership | rship | | | | | | | Dividend income | income |
| | | incorporation | interest | est | Paid-up | Paid-up capital | Cost | | Equity | ity | For the year | e year |
| | | | 2021 | 2020 (%) | 2021 | 2020 | 2021 | 2020 | 2021 201 (in thousand Baht) | 2020 <i>d Baht)</i> | 2021 | 2020 |
| Associate | | | | | | | | | | | | |
| Direct associate | | | | | | | | | | | | |
| PTGC Co., Ltd. | Real estate | Cambodia | 49.00 | 49.00 | USD 19 million | USD 19 million | 752,182 | 676,045 | 748,506 | 673,041 | I | ı |
| Total | | | | | | | 752,812 | 676,045 | 748,506 | 673,041 | • | |
| | | | | | | | | | | | | |
| Joint ventures | | | | | | | | | | | | |
| Direct joint venture | | | | | | | | | | | | |
| Zamil Mermaid | Inspection, installation, | | | | | | | | | | | |
| Offshore Services | repair and maintenance | | | | | | | | | | | |
| Co. (LLC) | services for Offshore | Saudi | | | | | | | | | | |
| | Oil and Gas industry | Arabia | 40.00 | 40.00 | SAR 2 million | SAR 2 million | 7,118 | 6,398 | 54,775 | 47,188 | ı | I |
| Indirect joint | | | | | | | | | | | | |
| venture | | | | | | | | | | | | |
| ZeaQuest Co., Ltd. | Robotics and artificial | | | | | | | | | | | |
| | intelligence developer | | | | | | | | | | | |
| | and commercial subsea | | | | | | | | | | | |
| | engineering service | | | | | | | | | | | |
| | provider | Thailand | 50.00 | 50.00 | THB 155 million | THB 2,194 thousand | 86,123 | 1,051 | 50,297 | | | ı |
| KK Venture Co., Ltd. | Technology-based | | | | | | | | | | | |
| | businesses | Thailand | 50.00 | | THB 1,000 thousand | · | 535 | I | · | ı | ı | I |
| Millennium 3 Ship | | | | | | | | | | | | |
| Management And | | | | | | | | | | | | |
| Operations | Vessels management and | United Arab | | | | | | | | | | |
| DMCCO | operation | Emirates | 50.00 | | AED 1,000 thousand | | 4,545 | | 46,019 | | | ı |
| Total | | | | | | | 98,321 | 7,449 | 151,091 | 47,188 | | ı |
| | | | | | | | | | | | | 1 |

| | | | | | | Sel | Separate financial statements | tatements | | |
|---------------------------|---------------------------|---------------|-----------|-------|-----------------|------------------|-------------------------------|-------------|-------------------------|-----------------|
| | Type of business | Country of | Ownership | rship | | | | | Divider | Dividend income |
| | | incorporation | interest | est | Paid-up | Paid-up capital | Ŭ | Cost | for t | for the year |
| | | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | (%) | () | | | | (in thousan | (in thousand US Dollar) | |
| Associate PTGC Co. 1td | Real estate | Camhodia | 49.00 | 49 NN | 11SD 10 million | 1 ISD 10 million | 22 507 | 22507 | I | 1 |
| Total | | | | | | | 22,507 | 22,507 | | |
| Joint venture | | | | | | | | | | |
| Zamil Mermaid | Inspection, installation, | | | | | | | | | |
| Offshore Services | repair and maintenance | | | | | | | | | |
| Co. (LLC) | services for Offshore | | | | | | | | | |
| | Oil and Gas industry | Saudi Arabia | 40.00 | 40.00 | SAR 2 million | SAR 2 million | 213 | 213 | • | |
| Total | | | | | | | 213 | 213 | | · |
| | | | | | | Sej | Separate financial statements | tatements | | |
| | Type of business | Country of | Ownership | rship | | | | | Divider | Dividend income |
| | | incorporation | interest | est | Paid-up | Paid-up capital | ŭ | Cost | for t | for the year |
| | | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | (%) | 6 | | | | (in thous | (in thousand Baht) | |
| Associate | | | | | | | | | | |
| PTGC Co., Ltd. | Real estate | Cambodia | 49.00 | 49.00 | USD 19 million | USD 19 million | 752,182 | 676,045 | | |
| Total | | | | | | | 752,182 | 676,045 | | |
| Joint venture | | | | | | | | | | |
| Zamil Mermaid | Inspection, installation, | | | | | | | | | |
| Offshore Services | repair and maintenance | | | | | | | | | |
| Co. (LLC) | services for Offshore | | | | | | | | | |
| | Oil and Gas industry | Saudi Arabia | 40.00 | 40.00 | SAR 2 million | SAR 2 million | 7,118 | 6,398 | | |
| Total | | | | | | | 7,118 | 6,398 | | ı |
| | | | | | | | | | | |

None of the Company's associate and joint venture are publicly listed and consequently do not have published price quotations.

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| Material movement for the year | C | onsolidated fina | ancial statement | ts |
|--|--------------|------------------|------------------|-----------|
| ended 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | US Dollar) | (in thous | and Baht) |
| Joint ventures | | | | |
| Increase capital in ZeaQuest Co., Ltd. | 2,542 | 35 | 84,953 | 1,051 |
| Increase capital in KK Venture Co., Ltd. | 16 | - | 535 | - |
| Increase capital in Millennium 3 Ship | | | | |
| Management And Operations DMCCO | 136 | - | 4,545 | - |

Increase in share capital of a joint venture

At the Extraordinary General Meeting of shareholders of ZeaQuest Co., Ltd., ("ZeaQuest"), held on 30 December 2020, the shareholders approved to increase the share capital of ZeaQuest by Baht 150.0 million through the issuance of 1,500,000 new ordinary shares with a par value of Baht 100 each which were registered on 11 January 2021 with Department of Business Development. The shares were 43.88% paid up by the existing shareholders in proportion to their shareholdings. Subsequently, on 25 February 2021, ZeaQuest additionally called for the remaining share subscriptions at Baht 56.12 per share, totalling Baht 43.5 million.

New Joint ventures

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

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

Disposal of investment in an associate

On 11 September 2020, according to a Transaction Support Agreement ("TSA"), Mermaid International Ventures ("MIV"), an indirect subsidiary, exercised the Put Option to sell all of its 33.76% interest in Asia Offshore Drilling Limited ("AOD") to Seadrill Limited ("Seadrill") for a consideration of US Dollar 31.0 million in cash which fully received in September 2020. The Consideration had been mutually agreed between MIV and Seadrill pursuant to the terms of the TSA, taking to consideration, which two independent valuations of the three jack-up drilling rigs owned by AOD and the net book value of the other net assets of AOD.

As a result, AOD was no longer an associated company of the Group as at 31 December 2020. The Group recognized loss from disposal of interest in AOD in the consolidated statements of comprehensive income for the year ended 31 December 2020 of US Dollar 68.1 million and the Company transferred the difference arising from prior common control transaction of the Company transferring interest in AOD to MIV of US Dollar 7.4 million to profit and loss in the separate statements of comprehensive income for the year ended 31 December 2020.

The Board of Directors of the Company consider that the exercise of the Put Options is in the best interests of the Company and the shareholders and in the ordinary course of business of the Company.

Material associate and joint ventures

The following table summarises the financial information of the material associate and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

| | | Zeaquest | Co., Ltd. | |
|--|--------------|--------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thous | and Baht) |
| Revenue | 2,264 | - | 75,448 | - |
| Loss from continuing operations | (1,523) | (90) | (48,538) | (2,755) |
| Total comprehensive loss (100%) | (1,523) | (90) | (48,538) | (2,755) |
| Group's share of total comprehensive | | | | |
| expense | (762) | (35) | (24,269) | (1,072) |
| | | | | |
| Current assets | 3,644 | 2,263 | 121,782 | 67,974 |
| Non-current assets | 2,211 | - | 73,891 | - |
| Current liabilities | (2,315) | (2,283) | (77,367) | (68,575) |
| Non-current liabilities | - | - | - | - |
| Net assets (100%) | 3,540 | (20) | 118,306 | (601) |
| Group's share of net assets (% hold) | 1,770 | - | 59,153 | - |
| Elimination of unrealised profit on sale | | | | |
| equipment | (265) | - | (8,856) | - |
| Carrying amount of investment in | | | | |
| associate | 1,505 | - | 50,297 | - |

| | | PTGC Co | o., Ltd. | |
|--------------------------------------|-------------|--------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Revenue | - | - | - | - |
| Loss from continuing operations | (20) | (28) | (663) | (877) |
| Total comprehensive loss (100%) | (20) | (28) | (663) | (877) |
| Group's share of total comprehensive | | | | |
| expense | (10) | (13) | (325) | (430) |
| | | | | |
| Current assets | 5 | 3 | 167 | 90 |
| Non-current assets | 19,360 | 19,360 | 647,009 | 581,518 |
| Current liabilities | (65) | (42) | (2,172) | (1,232) |
| Non-current liabilities | - | - | - | - |
| Net assets (100%) | 19,300 | 19,321 | 645,004 | 580,376 |
| Group's share of net assets (% hold) | 9,458 | 9,468 | 316,086 | 284,384 |
| Goodwill | 12,939 | 12,939 | 432,420 | 388,657 |
| Carrying amount of investment in | | | | |
| associate | 22,397 | 22,407 | 748,506 | 673,041 |

9 Investments in subsidiaries

| Name of subsidiary | Paid - | Paid - up capital | Ú | Cost | Impair | Impairment | At cost - net | - net | Dividenc | Dividend income |
|---------------------|-------------------|-------------------|---------|---------|-----------|-------------------------|---------------|--------|--------------|-----------------|
| | | | | | | | | | for the year | e year |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | | | | (in thousand US Dollar) | IS Dollar) | | | |
| Direct subsidiaries | | | | | | | | | | |
| Mermaid Subsea | | | | | | | | | | |
| Services (Thailand) | | | | | | | | | | |
| Ltd. | THB 2,130 million | THB 2,130 million | 153,485 | 153,485 | (98,123) | (98,123) | 55,362 | 55,362 | I | I |
| Mermaid Drilling | | | | | | | | | | |
| Ltd. | THB 410 million | THB 410 million | 14,074 | 14,074 | (14,074) | (14,074) | I | ı | I | I |
| Mermaid Maritime | | | | | | | | | | |
| Mauritius Ltd. | USD 1 | USD 1 | ı | ı | ı | ı | I | I | I | I |
| Mermaid Ventures | | | | | | | | | | |
| Co., Ltd. (formerly | | | | | | | | | | |
| Mermaid-MOE JV | | | c | | | | c | | | |
| Co., Ltd.) | IHB 200 Thousand | · | α | | I | | Ø | | 1 | |
| Total | | | 167,567 | 167,559 | (112,197) | (112,197) | 55,370 | 55,362 | I | |

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| Name of subsidiary | - Paid - | Paid - up capital | Ŭ | Cost | Impairment | ment | At cos | At cost – net | Dividen for th | Dividend income for the vear |
|-----------------------|------------------|-------------------|--------|--------|------------|--------------------------------------|-------------------|---------------|-------------------|---------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 2023 (in thousand US Dollar) | 2021 S Dollar) | 2020 | 2021 | 2020 |
| Indirect subsidiaries | | | | | | | | | | |
| Seascape Surveys | | | | | | | | | | |
| Pte. Ltd. | SGD 100 | SGD 100 | 14,268 | 14,268 | (14,268) | (14,268) | · | ı | | |
| Mermaid Subsea | | | | | | | | | | |
| Services (Malaysia) | | | | | | | | | | |
| Sdn. Bhd. | MYR 550 thousand | MYR 550 thousand | 139 | 139 | ı | I | 139 | 139 | ı | Ţ |
| Mermaid Subsea | | | | | | | | | | |
| Services (UK) Ltd. | GBP 100 thousand | GBP 100 thousand | 130 | 130 | I | ı | 130 | 130 | ı | ı |
| Mermaid Ventures | | | | | | | | | | |
| Co.,Ltd. (formerly | | | | | | | | | | |
| Mermaid-MOE JV | | | | | | | | | | |
| Co., Ltd. | I | THB 250 thousand | I | 8 | I | ļ | ı | 8 | ı | ı |
| Mermaid Subsea Oil | | | | | | | | | | |
| And Gas Services | | | | | | | | | | |
| DMCEST | AED 1 million | · | 274 | | I | ı | 274 | ı | ı | ı |
| Mermaid Offshore | USD 20,400 | USD 20,400 | | | | | | | | |
| Services Pte. Ltd. | thousand | thousand | 20,400 | 20,400 | (20,400) | (20,400) | ı | ı | ı | ı |
| MTR - 1 Ltd. | THB 240 million | THB 240 million | ı | 6,255 | ı | (6,255) | ı | ı | ı | ı |
| MTR - 2 Ltd. | THB 268 million | THB 268 million | 5,661 | 5,661 | (5,661) | (5,661) | ı | I | ı | ı |
| Mermaid Drilling | | | | | | | | | | |
| (Malaysia) Sdn. | | | | | | | | | | |
| Bhd. | MYR 500 thousand | MYR 500 thousand | I | 164 | I | (164) | ı | ı | ı | ı |
| Mermaid International | | | | | | | | | | |
| Ventures | USD 100 | USD 100 | I | ı | I | ļ | ı | I | ı | ı |
| Mermaid Subsea | | | | | | | | | | |
| Services | | | | | | | | | | |
| (International) Ltd. | USD 1 | USD 1 | 7,586 | 7,586 | I | I | 7,586 | 7,586 | ı | I |
| Mermaid Subsea | | | | | | | | | | |
| Services Saudi | | | | | | | | | | |
| Arabia Co., Ltd. | SAR 500 thousand | SAR 500 thousand | 386 | 386 | I | ļ | 386 | 386 | ı | ı |
| Mermaid Subsea | | | | | | | | | | |
| Services LLC | QAR 200 thousand | QAR 200 thousand | 55 | 55 | I | | 55 | 55 | | |
| Total | | | 48,899 | 55,052 | (40,329) | (46,748) | 8,570 | 8,304 | | |

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| Dividend income for the year | 2021 2020 | | | | | | | | | | | | | • |
|---------------------------------|--|---------------------|----------------|---------------------|-------------------|------------------|-----------------|------------------|----------------|------------------|---------------------|----------------|------------------|-------------|
| At cost – net | 2020 | | | | 1,662,914 | | ı | | I | | | | | 1,662,914 |
| At cos | 2021 <i>† Baht)</i> | | | | 1,850,193 | | ı | | ı | | | | 267 | 1,850,460 |
| Impairment | 2020 20 (<i>in thousand Baht</i>) | | | | (2,947,330) | | (422,742) | | ı | | | | ı | (3,370,072) |
| Impa | 2021 | | | | (3,279,261) | | (470,352) | | ı | | | | ı | (3,749,613) |
| Cost | 2020 | | | | 4,610,244 | | 422,742 | | ı | | | | | 5,032,986 |
| 0 | 2021 | | | | 5,129,454 | | 470,352 | | I | | | | 267 | 5,600,073 |
| p capital | 2020 | | | | THB 2,130 million | | THB 410 million | | USD 1 | | | | | |
| Paid - up capital | 2021 | | | | THB 2,130 million | | THB 410 million | | USD 1 | | | | THB 250 thousand | |
| Name of subsidiary | | Direct subsidiaries | Mermaid Subsea | Services (Thailand) | Ltd. | Mermaid Drilling | Ltd. | Mermaid Maritime | Mauritius Ltd. | Mermaid Ventures | Co., Ltd. (formerly | Mermaid-MOE JV | Co., Ltd.) | Total |

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| 201 | Name of subsidiary | Paid - u | Paid - up capital | 0 | Cost | Impai | Impairment | At cost | At cost – net | Dividenc for th | Dividend income for the vear |
|---|--------------------|------------------|-------------------|-----------|-----------|-------------|----------------------|------------------------|---------------|--------------------|---------------------------------|
| 56 57 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,635 475,655 475,655 475,655 475,655 473,655< | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 (in thousand | 2021 / <i>Baht)</i> | 2020 | 2021 | 2020 |
| isingle constant | ct subsidiaries | | | | | | | | | | |
| (31) (32) (47,53) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,13) (47,11) (47,11) (47,11) (44 | ape Surveys | | | | | | | | | | |
| 301 WR 550 thousand WR 550 thousand 4,645 4,175 $,4,345$ | Ltd. | 2GD 100 | 2GD 100 | 4/6,835 | 428,569 | (4/6,835) | (428,569) | ı | ı | ı | ı |
| and integration WR 550 thousand (R 550 thousand) WR 550 thousand (R 500 thousand) $4,645$ $4,175$ $4,175$ $4,645$ $4,645$ integration G8P 100 thousand G8P 100 thousand $4,345$ 3905 \cdot $4,345$ $4,$ | aid Subsea | | | | | | | | | | |
| Mrk 50 thousand Mrk 50 thousand 4.345 3.905 \cdot 4.345 4.345 3.955 \cdot 4.345 3.955 \cdot 4.345 3.955 \cdot 4.345 3.955 \cdot 4.345 \cdot $ -$ <t< td=""><td>vices (Malaysia)</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | vices (Malaysia) | | | | | | | | | | |
| (4) (6) (10) thousand $(4,34)$ $(3,90)$ $(-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,-,$ | n. Bhd. | MYR 550 thousand | MYR 550 thousand | 4,645 | 4,175 | I | ı | 4,645 | 4,175 | I | I |
| vices (LV), Lit. GP 100 thousand GP 100 thousand 4.345 3.905 \cdot \cdot 4.345 ad Ventures, Indi Abneso (160 metry and Shose oli Cast Cast Cast Cast Cast Cast Cast Cast | aid Subsea | | | | | | | | | | |
| ad Subsea (ad Servers that formery and MGC M THB 250 thousand that formery and Shose OI THB 250 thousand that Servers that Servers ad Shose OI THB 250 thousand that Servers that | ervices (UK) Ltd. | GBP 100 thousand | GBP 100 thousand | 4,345 | 3,905 | · | | 4,345 | 3,905 | ı | ı |
| Action with the constant of the state with the constant of the constan | aid Ventures | | | | | | | | | | |
| Itd. -1 THB 250 thousand -1 THB 250 thousand -1 THB 250 thousand -1 THB 250 thousand -1 THB 240 million | rmaid-MOE JV | | | | | | | | | | |
| aid Subsea OI 1 GaS Services CET CET CET CET CET CET CET CET | , Ltd. | ı | THB 250 thousand | ı | 240 | ı | ı | I | 240 | ı | ı |
| I cas Services I cas Control of Con | iaid Subsea Oil | | | | | | | | | | |
| CEST AED 1 million · 9,157 · 9,157 · 9,157 aid Offshore USD 20,400 US | d Gas Services | | | | | | | | | | |
| aid Offshore USD 20,400 USD | CEST | AED 1 million | ı | 9,157 | ı | | · | 9,157 | | ı | ı |
| vices Pe. Ltd. thousand THB 240 milion thousand THB 240 milion thousand THB 240 milion thousand THB 240 milion thousand THB 268 milion thousand THB 268 milion thun THB 240 milion thun | aid Offshore | USD 20,400 | USD 20,400 | | | | | | | | |
| $ \begin{array}{c c c c c c c c c c c c c c c c c c c $ | vices Pte. Ltd. | thousand | thousand | 681,766 | 612,757 | (681,766) | (612,757) | ı | | ı | ı |
| - 2 Ld. THB 268 million THB 268 million THB 268 million 189,190 170,040 (189,190) (170,040) · aid Drilling MYR 500 thousand WYR 500 thousand MYR 500 thousand · 4,926 · (4,926) · 3 .1. MYR 500 thousand USD 100 USD 100 3 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 · · 3 3 · · 3 · · 3 · · 3 3 · · 3 3 · · · 3 3 3 3 3 3 3 3 3 3 3 3 3 </td <td>- 1 Ltd.</td> <td>THB 240 million</td> <td>THB 240 million</td> <td>ı</td> <td>187,882</td> <td></td> <td>(187,882)</td> <td>ı</td> <td></td> <td>ı</td> <td></td> | - 1 Ltd. | THB 240 million | THB 240 million | ı | 187,882 | | (187,882) | ı | | ı | |
| aid Drilling Laysia's Sdn.wfk 500 thousandwfk 500 thousand··· $4,926$ ·· $(4,926)$ ··.1.wfk 500 thousandwfk 500 thousandwfk 500 thousand··· $3,926$ ·· $(4,926)$ ··aid International aid International turesUSD 100USD 10033····· $3,926$ ··aid International turesUSD 100USD 1001253,523227,861······323aid Subsea vicesUSD 1USD 10253,523227,861······253,52323ernational Ltd.SAK 500 thousand12,90011,594······12,9001bia Co., Ltd.SAK 500 thousandUSB1,633······1,63323vices LtdQAR 200 thousandUSB1,633·········1,3381,633,604vices LtdQAR 200 thousandUSBUSBUSB·········1,3381,23323vices LtdQAR 200 thousandUSBUSB············1,33823vices LtdQAR 200 thousandUSBUSB············1,3381,33323vices LtdQAR 200 thousandUSB···············1,33823vices LtdQAR 200 thousandUSBUSB············1,33823vices LtdQAR 200 tho | - 2 Ltd. | THB 268 million | THB 268 million | 189,190 | 170,040 | (189,190) | (170,040) | ı | · | ı | ı |
| laysid) Sdh.MYR 500 thousandMYR 500 thousand \cdot $4,926$ \cdot $(4,926)$ \cdot .1wid International aid International turesUSD 100USD 1003 3 3 $ (4,926)$ $ 3$ aid International turesUSD 100USD 100USD 1003 3 3 $ 3$ 3 tures aid SubseaUSD 1USD 1USD 1253,523 $227,861$ $ 3$ 3 vices aid SubseaUSD 100NS 500 thousand12,90011,594 $ 12,900$ 1 aid Subsea vices LLCQR 200 thousandUSB 1 $1,632$ $1,1594$ $ 12,900$ 1 vices LLCQR 200 thousand $1,838$ $1,652$ $ -$ <td>aid Drilling</td> <td></td> | aid Drilling | | | | | | | | | | |
| WYR 500 thousand WYR 500 thousand · 4,926 · (4,926) · 3 USD 100 USD 100 3 3 3 · · 3 3 USD 100 USD 100 3 3 3 · · · 3 3 USD 1 USD 1 USD 1 233,523 227,861 · · 3 23 SAR 500 thousand SAR 500 thousand 12,900 11,594 · · 12,900 1 QAR 200 thousand QAR 200 thousand 1,838 1,652 · · 1,3393 23 | laysia) Sdn. | | | | | | | | | | |
| USD 100 USD 100 3 3 3 - - 3 3 USD 1 USD 1 USD 1 23,523 227,861 - - 253,523 22 SAF 500 thousand SAF 500 thousand 12,900 11,594 - - 12,900 1 QAR 200 thousand QAR 200 thousand 1,838 1,652 - - 1,838 1,652 - - 1,838 1,838 QAR 200 thousand QAR 200 thousand 1,838 1,652 - - - 1,838 1,633 286,411 <td>H</td> <td>MYR 500 thousand</td> <td>MYR 500 thousand</td> <td>ı</td> <td>4,926</td> <td>ı</td> <td>(4,926)</td> <td>ı</td> <td>ı</td> <td>I</td> <td>I</td> | H | MYR 500 thousand | MYR 500 thousand | ı | 4,926 | ı | (4,926) | ı | ı | I | I |
| Ltd. USD 100 USD 100 3 3 3 - $^{-1}$ 3 $^{-1}$ $^{-1}$ $^{-1}$ 3 $^{-1}$ | aid International | | | | | | | | | | |
| Ltd. USD 1 USD 1 253,523 227,861 - - 253,523 23 1. SAR 500 thousand SAR 500 thousand 12,900 11,594 - - 12,900 1 1. SAR 500 thousand $12,900$ $11,594$ - - 12,900 1 1. QAR 200 thousand 1.838 1.652 - - 1,838 2.4 QAR 200 thousand 1.838 1.652 - - - 1,838 | itures | USD 100 | USD 100 | ŝ | ŝ | ı | ı | Υ | £ | I | I |
| Ltd. USD 1 USD 1 $253,523$ $227,861$ $ 253,523$ $223,523$ | aid Subsea | | | | | | | | | | |
| Ltd. USD 1 USD 1 253,523 227,861 - - 253,523 23 1. SAR 500 thousand SAR 500 thousand 12,900 11,594 - - 12,900 1 1. QAR 200 thousand QAR 200 thousand 1.838 1.652 - - 1,336 1 1. QAR 200 thousand 1.838 1.652 - - 1,338 286,411 286,411 286,411 236 | vices | | | | | | | | | | |
| I. SAR 500 thousand 12,900 11,594 - 12,900 1 QAR 200 thousand QAR 200 thousand 1,838 1,652 - - 1,838 1,633,604 1,838 1,653,604 1,347,791) 286,411 286,411 226 | ernational) Ltd. | USD 1 | USD 1 | 253,523 | 227,861 | ı | ı | 253,523 | 227,861 | I | I |
| 1. SAR 500 thousand SAR 500 thousand 12,900 11,594 - 12,900 1 QAR 200 thousand QAR 200 thousand 1,838 1,652 - - 1,838 J.633,504 1,653,504 (1,347,791) (1,404,174) 286,411 22 | aid Subsea | | | | | | | | | | |
| I. SAR 500 thousand SAR 500 thousand 12,900 11,594 - - 12,900 1 QAR 200 thousand QAR 200 thousand 1,838 1,652 - - 1,838 1,838 286,411 286,411 286,411 226,411 226,411 22 236,411 24,124 24,124 24,124 24,124 24,124 236,411 24,124 24,124 24,124 24,124 24,124 24,114 24 | vices Saudi | | | | | | | | | | |
| QAR 200 thousand QAR 200 thousand 1,838 1,652 - 1,838 1,838 1,634,202 1,653,604 (1,347,791) (1,404,174) 286,411 22 | bia Co., Ltd. | SAR 500 thousand | SAR 500 thousand | 12,900 | 11,594 | ı | ı | 12,900 | 11,594 | ı | I |
| QAR 200 thousand QAR 200 thousand 1,838 1,652 - - 1,838 1,634,202 1,653,604 (1,347,791) (1,404,174) 286,411 226 | aid Subsea | | | | | | | | | | |
| 1,653,604 (1,347,791) (1,404,174) 286,411 | vices LLC | QAR 200 thousand | QAR 200 thousand | 1,838 | 1,652 | | · | 1,838 | 1,652 | 1 | ' |
| | | | | 1,634,202 | 1,653,604 | (1,347,791) | (1,404,174) | 286,411 | 249,430 | I | , |

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| Material movement for the year | | Separate finar | ncial statements | |
|-------------------------------------|--------------|----------------|------------------|-----------|
| ended 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | US Dollar) | (in thousa | and Baht) |
| Increase capital in Mermaid Venture | | | | |
| Co., Ltd. | 8 | - | 267 | - |

Indirect subsidiary

On 1 March 2021, the Board of Directors of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, approved to set up a new wholly owned foreign subsidiary, Mermaid Subsea Oil and Gas Services DMCEST ("MSOGS"). MSOGS was incorporated on 24 June 2021 with AED 1 million authorized share capital. The main business of this subsidiary is subsea service provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry.

Deregistration of subsidiary

On 5 July 2021, Mermaid Drilling (Malaysia) Sdn. Bhd., an indirect subsidiary, was deregistered.

Liquidation of subsidiary

On 23 December 2021, MTR-1 Ltd., an indirect subsidiary, was liquidated.

Share transferred under common control transaction

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

Change the name of a subsidiary

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

10 Investments properties

| | Consolidate | ed financial statem | ents |
|--|---|--|--|
| | Land | Buildings | Total |
| | (in the | ousand US Dollar) | |
| Cost | | | |
| At 1 January 2020 | 248 | 1,271 | 1,519 |
| At 31 December 2020 and at 1 January 2021 | | · | , |
| , , | 248 | 1,271 | 1,519 |
| At 31 December 2021 | 248 | 1,271 | 1,519 |
| | | | |
| Depreciation | | | |
| At 1 January 2020 | - | 980 | 980 |
| Depreciation charge for the year | | 47 | 47 |
| At 31 December 2020 and at 1 January 2021 | - | 1,027 | 1,027 |
| Depreciation charge for the year | | 43 | 43 |
| At 31 December 2021 | | 1,070 | 1,070 |
| | | | |
| Net book value | 240 | 244 | 400 |
| At 31 December 2020 | 248 | 244 | 492 |
| At 31 December 2021 | 248 | 201 | 449 |
| | Consolidate | ed financial statem | ents |
| | Land | Buildings | Total |
| | | Dullulles | TULAL |
| | | thousand Baht) | Total |
| Cost | | | |
| <i>Cost</i> At 1 January 2020 | | | 45,804 |
| | (in | thousand Baht) | |
| At 1 January 2020 | (in 7,478 | thousand Baht) 38,326 | 45,804 |
| At 1 January 2020 Translation adjustments | (in 7,478 (29) | <i>thousand Baht)</i> 38,326 (149) | 45,804 (178) |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 | (in 7,478 (29) 7,449 | thousand Baht) 38,326 (149) 38,177 | 45,804 (178) 45,626 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 | 45,804 (178) 45,626 5,139 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 | 45,804 (178) 45,626 5,139 50,765 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 | 45,804 (178) 45,626 5,139 50,765 29,551 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 <i>Depreciation</i> At 1 January 2020 Depreciation charge for the year | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year Translation adjustments | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 3,536 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 3,536 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year Translation adjustments At 31 December 2021 | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 3,536 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 3,536 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year Translation adjustments At 31 December 2021 Met book value | (in 7,478 (29) 7,449 839 8,288 - - - - - - - - - - - - - - - - - - | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 3,536 35,759 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 3,536 35,759 |
| At 1 January 2020 Translation adjustments At 31 December 2020 and at 1 January 2021 Translation adjustments At 31 December 2021 Depreciation At 1 January 2020 Depreciation charge for the year Translation adjustments At 31 December 2020 and at 1 January 2021 Depreciation charge for the year Translation adjustments At 31 December 2021 | (in 7,478 (29) 7,449 839 | thousand Baht) 38,326 (149) 38,177 4,300 42,477 29,551 1,468 (171) 30,848 1,375 3,536 | 45,804 (178) 45,626 5,139 50,765 29,551 1,468 (171) 30,848 1,375 3,536 |

| | | Separate financia | al statements | |
|----------------------------------|------|-------------------|---------------|-------|
| | | | Buildings | |
| | Land | Buildings | improvement | Total |
| | | (in thousand | US Dollar) | |
| Cost | | | | |
| At 1 January 2020 | 838 | 4,390 | 160 | 5,388 |
| At 31 December 2020 and | | | | |
| at 1 January 2021 | 838 | 4,390 | 160 | 5,388 |
| At 31 December 2021 | 838 | 4,390 | 160 | 5,388 |
| Depreciation | | | | |
| At 1 January 2020 | - | 3,407 | 155 | 3,562 |
| Depreciation charge for the year | - | 169 | 3 | 172 |
| At 31 December 2020 and | | | | |
| at 1 January 2021 | - | 3,576 | 158 | 3,734 |
| Depreciation charge for the year | - | 159 | - | 159 |
| At 31 December 2021 | - | 3,735 | 158 | 3,893 |
| Net book value | | | | |
| At 31 December 2020 | 838 | 814 | 2 | 1,654 |
| At 31 December 2021 | 838 | 655 | 2 | 1,495 |

| | | Separate financi | ial statements | |
|----------------------------------|--------|------------------|----------------|---------|
| | | | Buildings | |
| | Land | Buildings | improvement | Total |
| | | (in thousai | nd Baht) | |
| Cost | | | | |
| At 1 January 2020 | 25,269 | 132,376 | 4,825 | 162,470 |
| Translation adjustments | (98) | (513) | (19) | (630) |
| At 31 December 2020 and | | | | |
| at 1 January 2021 | 25,171 | 131,863 | 4,806 | 161,840 |
| Translation adjustments | 2,835 | 14,850 | 541 | 18,226 |
| At 31 December 2021 | 28,006 | 146,713 | 5,347 | 180,066 |
| Depreciation | | | | |
| At 1 January 2020 | - | 102,735 | 4,674 | 107,409 |
| Depreciation charge for the year | - | 5,292 | 94 | 5,386 |
| Translation adjustments | - | (614) | (22) | (636) |
| At 31 December 2020 and | | | | |
| at 1 January 2021 | - | 107,413 | 4,746 | 112,159 |
| Depreciation charge for the year | - | 5,087 | - | 5,087 |
| Translation adjustments | - | 12,323 | 534 | 12,857 |
| At 31 December 2021 | - | 124,823 | 5,280 | 130,103 |
| Net book value | | | | |
| At 31 December 2020 | 25,171 | 24,450 | 60 | 49,681 |
| At 31 December 2021 | 28,006 | 21,890 | 67 | 49,963 |

| | | Separate financ | ial statements | |
|--------------------------------------|-------------|-----------------|----------------|------------|
| Year ended 31 December | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thou: | sand Baht) |
| Amounts recognised in profit or loss | | | | |
| Office service fee | 283 | 140 | 9,155 | 4,394 |

The fair value of investment properties were appraised based on valuation report by an independent professional valuer, at open market values on an existing use basis. The appraised value of investment properties was US Dollar 2.1 million or equivalent to Baht 68.8 million (2020: US Dollar 2.2 million or equivalent to Baht 67.0 million) and US Dollar 5.6 million or equivalent to Baht 186.3 million (2020: US Dollar 6.1 million or equivalent to Baht 183.6 million) in the consolidated and separate financial statements, respectively. The fair value of investment property has been categorised as a Level 3 fair value.

| Property, plant and equipment | |
|-------------------------------|--|
| Property | |
| | |

| 11 Property, plant and equipment | and eq | uipment | | | | | | | | | |
|----------------------------------|--------|-----------|----------------------|--------------------------|---------------------------|---|----------------------|----------|----------|--------------|-----------|
| | | | | | Consoli | Consolidated financial statements | I statements | | | | |
| | | | Building improve- | Tools and equipmen | Office | Motor | Offshore support | Dry- | Motor | Construction | |
| | Land | Buildings | ment | ÷ | equipment <i>(ir</i> , | vehicles vesse (in thousand US Dollar) | vessels 5 Dollar) | docking | launches | in progress | Total |
| Cost | | | | | | | | | | | |
| At 1 January 2020 | 590 | 3,240 | 1,547 | 79,849 | 3,295 | 1,353 | 295,868 | 27,704 | 3,172 | 1,451 | 418,069 |
| Additions | ı | ı | 41 | 497 | 57 | I | ı | 11,735 | I | I | 12,330 |
| Transfers | ı | ı | ı | 39 | I | I | ı | 102 | I | (141) | I |
| Disposals | , | ı | ı | (573) | (519) | (62) | ı | ı | I | I | (1, 187) |
| Write off | ı | ı | ı | ı | (104) | ı | ı | (10,377) | I | I | (10, 481) |
| At 31 December 2020 | | | | | | | | | | | |
| and 1 January 2021 | 690 | 3.240 | 1.588 | 79.812 | 2.729 | 1.258 | 295.868 | 29.164 | 3.172 | 1.310 | 418.731 |
| Additions | | | 1 | 4,095 | 217 | 45 | | 221 | | 700 | 5,279 |
| Disposals | ı | ı | ı | (3,760) | (17) | (16) | (29,500) | (1, 841) | I | (1, 310) | (36,444) |
| At 31 December 2021 _ | 590 | 3,240 | 1,589 | 80,147 | 2,929 | 1,287 | 266,368 | 27,544 | 3,172 | 700 | 387,566 |
| | | | | | | | | | | | |

| | | | | | Consolid | Consolidated financial statements | statements | | | | |
|-------------------------|------|-----------|----------------------|--------------|-------------------------|---|---------------------|----------|----------|--------------|-----------|
| | | | Building improve- | Tools and | Office | Motor | Offshore support | Dry- | Motor | Construction | |
| | Land | Buildings | ment | equipment | equipment <i>(in</i> | t vehicles vesse (in thousand US Dollar) | vessels Dollar) | docking | launches | in progress | Total |
| Depreciation | | | | | | | | | | | |
| At 1 January 2020 | ı | (2,514) | (1,504) | (60,272) | (2,963) | (1, 152) | (127,053) | (23,141) | (1,515) | ı | (220,114) |
| Depreciation charge for | | | | | | | | | | | |
| the year | ı | (129) | (25) | (3,384) | (193) | (66) | (7,278) | (3,060) | (145) | ı | (14, 313) |
| Disposals | I | · | I | 578 | 514 | 95 | ı | I | ı | ı | 1,187 |
| Write-off | I | · | I | ı | 71 | ı | ı | 10,377 | ı | ı | 10,448 |
| At 31 December 2020 | | | | | | | | | | | |
| and 1 January 2021 | · | (2,643) | (1,529) | (63,078) | (2,571) | (1,156) | (134,331) | (15,824) | (1,660) | · | (222,792) |
| Depreciation charge for | | | | | | | | | | | |
| the year | ı | (122) | (20) | (2,804) | (131) | (87) | (6,702) | (4,564) | (112) | ı | (14,542) |
| Disposals | ı | | I | 2,276 | 16 | 16 | 8,996 | 1,372 | ı | | 12,676 |
| At 31 December 2021 | • | (2,765) | (1,549) | (63,606) | (2,686) | (1,227) | (132,037) | (19,016) | (1,772) | 1 | (224,658) |
| | | | | | | | | | | | |

| | Land | Buildings | Building improve- ment | Tools and equipment | Office equipment | Offsh Motor suppo it vehicles vesse | Offshore support vessels | Dry- docking | Motor launches | Construction in progress | Total |
|---|------------|------------|------------------------------|---------------------------|---------------------|---|--------------------------------|-----------------|-------------------|-----------------------------|--------------------|
| <i>Impairment losses</i> At 1 January 2020 | , | . | , | (5,417) | - | | (44,236) | (1,785) | , | (1,310) | (52,748) |
| At 31 December 2020 and 1 January 2021 Disposals | | | | (5,417) 745 | | | (44,236) 20.073 | (1,785) 469 | | (1,310) 1 310 | (52,748) |
| At 31 December 2021 | . | | | (4,672) | | ľ | (24,163) | (1,316) | . | - | (30,151) |
| <i>Net book value</i> At 31 December 2020 At 31 December 2021 | 590 590 | 597 475 | 59 40 | 11,317 11,869 | 158 243 | 102 60 | 117,301 110,168 | 11,555 7,212 | 1,512 1,400 | 700 | 143,191 132,757 |

Consolidated financial statements



| | Land | Buildings | Building improve- ment | Tools and equipment | Office equipment | Motor vehicles | Offshore support vessels | Dry- docking | Motor launches | Construction in progress | Total |
|-------------------------|--------|-----------|------------------------------|---------------------------|---------------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------|-------------|
| (net | | | | | 2 | un thousang bant) | sant/ | | | | |
| At 1 January 2020 | 17,791 | 97,699 | 46,649 | 2,407,767 | 99,357 | 40,798 | 8,921,604 | 835,386 | 95,648 | 43,753 | 12,606,452 |
| Additions | I | ı | 1,232 | 14,928 | 1,712 | ı | I | 352,485 | I | . • | 370,357 |
| Transfers | I | ı | I | 1,171 | I | I | I | 3,064 | I | (4,235) | I |
| Disposals | I | ı | I | (17,211) | (15,589) | (2,854) | I | ı | I | I | (35,654) |
| Write off | I | ı | I | ı | (3,124) | ı | I | (311,695) | I | | (314,819) |
| Translation adjustments | (69) | (379) | (182) | (9,334) | (385) | (157) | (34,587) | (3,238) | (370) | (169) | (48,870) |
| At 31 December 2020 | | | | | | | | | | | |
| and 1 January 2021 | 17,722 | 97,320 | 47,699 | 2,397,321 | 81,971 | 37,787 | 8,887,017 | 876,002 | 95,278 | 39,349 | 12,577,466 |
| Additions | I | ı | 33 | 136,854 | 7,252 | 1,504 | I | 7,386 | I | 23,394 | 176,423 |
| Disposals | I | ı | I | (125,659) | (568) | (235) | (985,887) | (61,526) | I | (43,780) | (1,217,955) |
| Translation adjustments | 1,996 | 10,960 | 5,372 | 269,990 | 9,232 | 4,255 | 1,000,862 | 98,656 | 10,730 | 4,431 | 1,416,484 |
| At 31 December 2021 | 19,718 | 108,280 | 53,104 | 2,678,506 | 97,887 | 43,011 | 8,901,992 | 920,518 | 106,008 | 23,394 | 12,952,418 |
| | | | | | | | | | | | |

| statements | |
|--------------|--|
| financial | |
| Consolidated | |

| | | | | | Consol | Consolidated financial statements | al statements | | | | |
|-------------------------|------|-----------|------------------------------|------------------------|---------------------|-----------------------------------|--------------------------------|-----------------|-------------------|---------------------------------|-------------|
| | Land | Buildings | Building improve- ment | Tools and equipment | Office equipment | Motor vehicles | Offshore support vessels | Dry- docking | Motor launches | Constructio n in progress | Total |
| | | þ | | - | - | (in thousand Baht) | Baht) | D | | 0 | |
| Depreciation | | | | | | | | | | | |
| At 1 January 2020 | · | (75,807) | (45,352) | (1,817,442) | (89,346) | (34,737) | (3, 831, 156) | (697,794) | (45,683) | ı | (6,637,317) |
| Depreciation charge for | | | | | | | | | | | |
| the year | ' | (4,038) | (783) | (105,831) | (6,047) | (3,098) | (227,892) | (95,573) | (4,542) | | (447,804) |
| Disposals | | , | , | 17,361 | 15,439 | 2,854 | ı | ı | ı | · | 35,654 |
| Write off | ' | · | ı | · | 2,133 | I | ı | 311,695 | ı | , | 313,828 |
| Translation adjustments | ' | 457 | 208 | 11,232 | 596 | 258 | 24,134 | 6,365 | 363 | ı | 43,613 |
| At 31 December 2020 | | | | | | | | | | | |
| and 1 January 2021 | ı | (79,388) | (45,927) | (1,894,680) | (77,225) | (34,723) | (4,034,914) | (475,307) | (49,862) | ı | (6,692,026) |
| Depreciation charge for | | | | | | | | | | | |
| the year | ' | (3,904) | (632) | (89,416) | (4,200) | (2,765) | (214,378) | (145,939) | (3,567) | ı | (464,801) |
| Disposals | ' | ı | , | 76,064 | 535 | 535 | 300,645 | 45,852 | I | ı | 423,631 |
| Translation adjustments | ı | (9,114) | (5,208) | (217,675) | (8,876) | (4,053) | (464,016) | (60,119) | (5,791) | ı | (774,852) |
| At 31 December 2021 | • | (92,406) | (51,767) | (2,125,707) | (89,766) | (41,006) | (4,412,663) | (635,513) | (59,220) | | (7,508,048) |
| | | | | | | | | | | | |

Consolidated financial statements



| | | | | | Consoli | Consolidated financial statements | l statements | | | | |
|---|------------------|------------------|------------------------------|--|---------------------|---|---|---|-------------------|---|--|
| | Land | Buildings | Building improve- ment | Tools and equipment | Office equipment | Off Motor su vehicles ve <i>(in thousand Baht)</i> | Offshore support vessels <i>Baht)</i> | Dry- docking | Motor launches | Constructio n in progress | Total |
| Impairment losses At 1 January 2020 Translation adjustments At 31 December 2020 | | | | (163,344) 633 | | | (1,333,892) 5,171 | (53,825) 209 | | (39,502) 153 | (1,590,563) 6,166 |
| and 1 January 2021 and 1 January 2021 Disposals Translation adjustments At 31 December 2021 | | | | (162,711) 22,541 (15,967) (156,137) | | | (1,328,721) 607,349 (86,153) (807,525) | (53,616) 14,191 (4,556) (43,981) | | (39,349) 39,637 (288) - | (1,584,397) 683,718 (106,964) (1,007,643) |
| <i>Net book value</i> At 31 December 2020 At 31 December 2021 | 17,722 19,718 | 17,932 15,874 | 1,772 1,337 | 339,930 396,662 | 4,746 8,121 | 3,064 2,005 | 3,523,382 3,681,804 | 347,079 241,024 | 45,416 46,788 | - 23,394 | 4,301,043 4,436,727 |
| Security | | | | | | | | | | | |

As at 31 December 2021, the Group's property, plant and equipment with a net book value of US Dollar 102.7 million (2020: US Dollar 110.9 million) were registered to secure short-term and long-term facilities with financial institutions.

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|--|-----------|-------------------------|---|---|----------------|---------|
| | Buildings | Building improvement | Tools and equipment <i>(in th</i> o | and ent Office equipment <i>(in thousand US Dollar)</i> | Motor vehicles | Total |
| Cost | | | | | | |
| At 1 January 2020 | 120 | 447 | 77 | 1,871 | 61 | 2,576 |
| Additions | | 41 | | 9 | ı | 47 |
| Disposals | ı | ı | | (470) | (32) | (202) |
| At 31 December 2020 and 1 January 2021 | 120 | 488 | 11 | 1,407 | 29 | 2,121 |
| Additions | | | 1 | 10 | | 11 |
| Disposals | ı | | | (15) | · | (15) |
| At 31 December 2021 | 120 | 488 | 78 | 1,402 | 29 | 2,117 |
| | | | | | | |
| Depreciation | | | | | | |
| At 1 January 2020 | (87) | (443) | (20) | (1, 814) | (41) | (2,461) |
| Depreciation charge for the year | (9) | (1) | (1) | (41) | (2) | (54) |
| Disposals | ı | ı | ' | 470 | 32 | 502 |
| At 31 December 2020 and 1 January 2021 | (63) | (444) | (17) | (1,385) | (14) | (2,013) |
| Depreciation charge for the year | (9) | (2) | ı | (13) | (4) | (28) |
| Disposals | | | I | 14 | · | 14 |
| At 31 December 2021 | (66) | (449) | (77) | (1,384) | (18) | (2,027) |
| Net book value | | | | | | |
| At 31 December 2020 | 27 | 44 | ı | 22 | 15 | 108 |
| At 31 December 2021 | 21 | 39 | 1 | 18 | 11 | 60 |
| | | | | | | |

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| | | | Separate fir | Separate financial statements | | |
|--|-----------|-------------------------|------------------------|-------------------------------|----------------|----------|
| | Buildings | Building improvement | Tools and equipment | Office equipment | Motor vehicles | Total |
| | | | (in the | (in thousand Baht) | | |
| Cost | | | | | | |
| At 1 January 2020 | 3,618 | 13,479 | 2,323 | 56,418 | 1,839 | 77,677 |
| Additions | | 1,232 | | 180 | | 1,412 |
| Disposals | ı | ı | ı | (14,117) | (961) | (15,078) |
| Translation adjustments | (14) | (23) | (10) | (219) | (2) | (303) |
| At 31 December 2020 and 1 January 2021 | 3,604 | 14,658 | 2,313 | 42,262 | 871 | 63,708 |
| Additions | ı | ı | 33 | 334 | ı | 367 |
| Disposals | | | · | (201) | · | (201) |
| Translation adjustments | 406 | 1,651 | 261 | 4,761 | 98 | 7,177 |
| At 31 December 2021 | 4,010 | 16,309 | 2,607 | 46,856 | 696 | 70,751 |
| | | | | | | |
| Depreciation | | | | | | |
| At 1 January 2020 | (2,623) | (13,358) | (2,293) | (54,699) | (1,236) | (74,209) |
| Depreciation charge for the year | (189) | (31) | (31) | (1,290) | (155) | (1,696) |
| Disposals | I | ı | I | 14,708 | 1,001 | 15,709 |
| Translation adjustments | 19 | 53 | 12 | (320) | (31) | (267) |
| At 31 December 2020 and 1 January 2021 | (2,793) | (13,336) | (2,312) | (41,601) | (421) | (60,463) |
| Depreciation charge for the year | (193) | (160) | I | (414) | (127) | (894) |
| Disposals | ı | ı | I | 448 | ı | 448 |
| Translation adjustments | (323) | (1,509) | (261) | (4,686) | (54) | (6,833) |
| At 31 December 2021 | (3,309) | (15,005) | (2,573) | (46,253) | (602) | (67,742) |
| Met hook value | | | | | | |
| At 31 December 2020 | 811 | 1,322 | 1 | 661 | 450 | 3,245 |
| At 31 December 2021 | 701 | 1,304 | 34 | 603 | 367 | 3,009 |

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12 Goodwill

| | | Consolidated fina | ncial statements | S |
|-------------------------|-------------|-------------------|------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Cost | | | | |
| At 1 January | 10,136 | 10,136 | 304,456 | 305,641 |
| Translation adjustments | - | - | 34,288 | (1,185) |
| At 31 December | 10,136 | 10,136 | 338,744 | 304,456 |
| | | | | |
| Impairment loss | | | | |
| At 1 January | (10,136) | (8,070) | (304,456) | (243,343) |
| Impairment loss | - | (2,066) | - | (63,250) |
| Translation adjustments | - | - | (34,288) | 2,137 |
| At 31 December | (10,136) | (10,136) | (338,744) | (304,456) |
| | | | | |
| | | | | |
| Net book value | | | | |
| At 1 January | - | 2,066 | - | 62,298 |
| At 31 December | | - | - | |

The continuing drop in oil prices during the year 2015 impacted the Group's overall business as it led to reduced activity and contracts for subsea and offshore drilling services. Additionally, with more offshore rigs and subsea vessels in the market coming off contract and new builds yet to be delivered, the vessel supply and demand imbalance will continue to have a negative impact on utilisation and day rates. These have been important factors indicating that the Group's assets may be impaired.

Goodwill and impairment loss on goodwill was allocated to the following cash-generating units ("CGU"):

Seascape CGU

| | Consolidated fina | incial statements | S |
|-------------|---|---|---|
| 2021 | 2020 | 2021 | 2020 |
| (in thousan | d US Dollar) | (in thous | and Baht) |
| | | | |
| 8,070 | 8,070 | 242,399 | 243,343 |
| - | - | 27,300 | (944) |
| 8,070 | 8,070 | 269,699 | 242,399 |
| | | | |
| | | | |
| (8,070) | (8,070) | (242,399) | (243,343) |
| - | - | (27,300) | 944 |
| (8,070) | (8,070) | (269,699) | (242,399) |
| | | | |
| | | | |
| - | - | - | - |
| - | - | - | - |
| | (in thousan 8,070 - 8,070 (8,070) - | 2021 2020 (in thousand US Dollar) 8,070 - 8,070 - 8,070 - 8,070 - 8,070 - 8,070 - - 8,070 - - - - (8,070) - | (in thousand US Dollar) (in thousand US Dollar) 8,070 8,070 242,399 - - 27,300 8,070 8,070 269,699 (8,070) (8,070) (242,399) - - 27,300 |

The recoverable amount of Seascape CGU estimated using the value in use method was less than the total carrying amount of Seascape CGU and the goodwill allocated to it. As a result, goodwill allocated to Seascape CGU was fully impaired as at 31 December 2015.

Mermaid Subsea Services (International) ("MSSI") CGU

| | | Consolidated fina | ncial statement | s |
|---|-------------------|---------------------------------|---|---------------------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | d US Dollar) | (in thous | and Baht) |
| Cost | | | | |
| At 1 January | 2,066 | 2,066 | 62,057 | 62,298 |
| Translation adjustments | - | - | 6,989 | (241) |
| At 31 December | 2,066 | 2,066 | 69,046 | 62,057 |
| | | | | |
| Impairment loss | | | | |
| At 1 January | (2,066) | - | (62,057) | - |
| Impairment loss | - | (2,066) | - | (63,250) |
| Translation adjustments | - | - | (6,989) | 1,193 |
| At 31 December | (2,066) | (2,066) | (69,046) | (62,057) |
| | | | | |
| Net book value | | | | |
| At 1 January | - | 2,066 | - | 62,298 |
| At 31 December | - | - | - | - |
| At 31 December Impairment loss At 1 January Impairment loss Translation adjustments At 31 December Net book value At 1 January | (2,066) - - | (2,066) - (2,066) | 69,046 (62,057) - (6,989) | 62,057 (63,250 1,193 (62,057 |

The recoverable amount of MSSI CGU estimated using the value in use method was less than the total carrying amount of MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to MSSI CGU was fully impaired as at 31 December 2020.

13 Interest-bearing liabilities

| | Consolic | lated financial state | ments |
|--|----------|-----------------------|--------|
| _ | | 2021 | |
| | Secured | Unsecured | Total |
| _ | (in | thousand US Dollar | -) |
| Current portion of long-term borrowings | | | |
| from parent company | - | 3,000 | 3,000 |
| Current portion of long-term borrowings | | | |
| from financial institutions | 14,209 | - | 14,209 |
| Current portion of lease liabilities | - | 123 | 123 |
| Long-term borrowings from parent company | - | 2,000 | 2,000 |
| Long-term borrowings from financial institutions | | | |
| | 32,485 | - | 32,485 |
| Lease liabilities | - | 78 | 78 |
| Total interest-bearing liabilities | 46,694 | 5,201 | 51,895 |

| | Consolid | ated financial state | ments |
|--|-----------|----------------------|-----------|
| | | 2021 | |
| | Secured | Unsecured | Total |
| | (| in thousand Baht) | |
| Current portion of long-term borrowings | | | |
| from parent company | - | 100,260 | 100,260 |
| Current portion of long-term borrowings | | | |
| from financial institutions | 474,863 | - | 474,863 |
| Current portion of lease liabilities | - | 4,111 | 4,111 |
| Long-term borrowings from parent company | - | 66,840 | 66,840 |
| Long-term borrowings from financial | | | |
| institutions | 1,085,645 | - | 1,085,645 |
| Lease liabilities | - | 2,607 | 2,607 |
| Total interest-bearing liabilities | 1,560,508 | 173,818 | 1,734,326 |

| | Consolio | dated financial stateme | nts |
|--|----------|-------------------------|--------|
| _ | | 2020 | |
| | Secured | Unsecured | Total |
| | (in | thousand US Dollar) | |
| Current portion of long-term borrowings | | | |
| from financial institutions | 13,544 | - | 13,544 |
| Current portion of lease liabilities | 40 | 166 | 206 |
| Long-term borrowings from financial institutions | | | |
| | 43,869 | - | 43,869 |
| Lease liabilities | 11 | 211 | 222 |
| Total interest-bearing liabilities | 57,464 | 377 | 57,841 |

| | Consoli | dated financial statem 2020 | ents |
|---|-----------|--------------------------------|-----------|
| | Secured | Unsecured | Total |
| | | (in thousand Baht) | |
| Current portion of long-term borrowings | | | |
| from financial institutions | 406,822 | - | 406,822 |
| Current portion of lease liabilities | 1,202 | 4,986 | 6,188 |
| Long-term borrowings from financial | | | |
| institutions | 1,317,698 | - | 1,317,698 |
| Lease liabilities | 330 | 6,338 | 6,668 |
| Total interest-bearing liabilities | 1,726,052 | 11,324 | 1,737,376 |

| | Separate financial statements | | | | |
|--|-------------------------------|------------------------|---|--|--|
| | 2021 | | | | |
| | Secured Unsecured Total | | | | |
| | (i | in thousand US Dollar, |) | | |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | - 3,000 3 | | | | |
| Current portion of lease liabilities | - 122 | | | | |
| Long-term borrowings from parent company | - 2,000 2 | | | | |
| Lease liabilities | - 78 | | | | |
| Total interest-bearing liabilities | - 5,200 5,2 | | | | |

| | Separate financial statements | | | | | |
|--|-------------------------------|--------------------|--|--|--|--|
| | 2021 | | | | | |
| | Secured Unsecured Total | | | | | |
| | | (in thousand Baht) | | | | |
| Current portion of long-term borrowings | | | | | | |
| from financial institutions | - 100,260 100 | | | | | |
| Current portion of lease liabilities | - 4,077 4 | | | | | |
| Long-term borrowings from parent company | - 66,840 66,8 | | | | | |
| Lease liabilities | - 2,607 2,607 | | | | | |
| Total interest-bearing liabilities | - 173,784 173,784 | | | | | |

| | Separate financial statements | | | | |
|--------------------------------------|-------------------------------|-----|-----|--|--|
| | 2020 | | | | |
| | Secured Unsecured Tota | | | | |
| | (in thousand US Dollar) | | | | |
| Current portion of lease liabilities | 40 | 164 | 204 | | |
| Lease liabilities | 11 | 210 | 221 | | |
| Total interest-bearing liabilities | 51 374 425 | | | | |

| | Separate financial statements | | | | |
|--------------------------------------|-------------------------------|-------|-------|--|--|
| | 2020 | | | | |
| | Secured | Total | | | |
| | (in thousand Baht) | | | | |
| Current portion of lease liabilities | 1,202 | 4,926 | 6,128 | | |
| Lease liabilities | 330 | 6,308 | 6,638 | | |
| Total interest-bearing liabilities | 1,532 11,234 12,76 | | | | |

The Group's long-term borrowings from financial institutions bear effective interest rates of 2.87%, 2.97% and 3.34% per annum (*2020: 2.89% and 2.99% per annum*).

The Company's long-term borrowings from parent company bear interest rates at 7.0% per annum.

As at 31 December 2021, the Group and the Company had no unutilised credit facilities (2020: US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively).

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

| | Consolidated financial statements | | | | |
|---------------------------------|-----------------------------------|---------------|-----------|-----------|--|
| | 2021 | 2020 | 2021 | 2020 | |
| | (in thousar | nd US Dollar) | (in thous | and Baht) | |
| At 1 January | 57,413 | 55,799 | 1,724,520 | 1,682,563 | |
| Addition | 2,992 | 7,960 | 99,992 | 239,095 | |
| Repayments during year | (13,768) | (6,400) | (460,125) | (192,237) | |
| Amortisation to profit and loss | | | | | |
| (front end fee) | 57 | 54 | 1,825 | 1,692 | |
| Translation adjustments | - | - | 194,296 | (6,593) | |
| At 31 December | 46,694 | 57,413 | 1,560,508 | 1,724,520 | |

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

| | Consolidated financial statements | | | | |
|-------------|-----------------------------------|---------------|--------------------|-----------|--|
| | 2021 | 2020 | 2021 | 2020 | |
| | (in thousan | nd US Dollar) | (in thousand Baht) | | |
| Currencies: | | | | | |
| US Dollar | 46,694 | 57,413 | 1,560,508 | 1,724,520 | |
| Total | 46,694 | 57,413 | 1,560,508 | 1,724,520 | |

Long-term borrowings for the purchase of support vessels were granted by commercial banks and were denominated in US Dollar, having a total outstanding balance of US Dollar 46.7 million as at 31 December 2021 *(2020: US Dollar 57.4 million)* with repayment terms until 2025. These borrowings bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 11 and are guaranteed by the Company.

According to a condition of the borrowing agreements for all asset acquisitions, the Company and its subsidiaries are not allowed to create any encumbrance on the assets used as collateral, except for encumbrances created with the prior consent of the financial institutions and permitted liens. The Company and certain subsidiaries must comply with other conditions and restrictions stated in the term borrowing agreements.

14 Provisions for employee benefits

| At 31 December | Consolidated financial statements | | | | | |
|-----------------------------------|-----------------------------------|-----------------|----------------|-----------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousar | nd US Dollar) | (in thous | and Baht) | | |
| Post-employment benefits | 2,371 | 2,322 | 79,239 | 69,746 | | |
| Other long-term employee benefits | 66 | 89 | 2,205 | 2,673 | | |
| Total | 2,437 | 2,411 | 81,444 | 72,419 | | |
| | | | | | | |
| At 31 December | | Separate financ | ial statements | | | |
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousar | nd US Dollar) | (in thous | and Baht) | | |
| Post-employment benefits | 295 | 255 | 9,859 | 7,659 | | |
| Other long-term employee benefits | 22 | 19 | 735 | 571 | | |
| Total | 317 | 274 | 10,594 | 8,230 | | |

| Present value of the defined benefit | Consolidated financial statements | | | | |
|--------------------------------------|-----------------------------------|---------------|-----------|------------|--|
| obligations | 2021 | 2020 | 2021 | 2020 | |
| | (in thousar | nd US Dollar) | (in thou. | sand Baht) | |
| At 1 January | 2,411 | 2,049 | 72,419 | 61,786 | |
| Recognised in profit or loss: | | | | | |
| Current service costs | 442 | 403 | 14,116 | 12,594 | |
| Interest on obligation | 23 | 19 | 735 | 595 | |
| Past service costs | (24) | - | (802) | - | |
| Curtailment gain | (32) | (44) | (1,049) | (1,419) | |
| Actuarial gains | (12) | - | (400) | - | |
| Recognised in other comprehensive | | | | | |
| income: | | | | | |
| Actuarial (gains) losses | | | | | |
| - Demographic assumptions | 113 | - | 3,772 | - | |
| - Financial assumptions | (18) | (40) | (601) | (1,253) | |
| - Experience adjustment | (393) | 133 | (13,112) | 4,166 | |
| Benefits paid | (73) | (109) | (2,372) | (3,337) | |
| Translation adjustments | - | - | 8,738 | (713) | |
| At 31 December | 2,437 | 2,411 | 81,444 | 72,419 | |

Present value of the defined benefit

| obligations | 2021 | 2020 | 2021 | 2020 |
|-----------------------------------|-------------|---------------|-----------|-----------|
| | (in thousar | nd US Dollar) | (in thous | and Baht) |
| At 1 January | 274 | 242 | 8,230 | 7,297 |
| Recognised in profit or loss: | | | | |
| Current service costs | 28 | 25 | 898 | 784 |
| Interest on obligation | 7 | 7 | 223 | 219 |
| Past service cost | (9) | - | (301) | - |
| Actuarial losses | 15 | - | 501 | - |
| Recognised in other comprehensive | | | | |
| income: | | | | |
| Actuarial losses | | | | |
| - Demographic assumptions | 65 | - | 2,170 | - |
| - Financial assumptions | (10) | - | (334) | - |
| - Experience adjustment | (47) | - | (1,569) | - |
| Benefits paid | (6) | - | (200) | - |
| Translation adjustments | - | - | 976 | (70) |
| At 31 December | 317 | 274 | 10,594 | 8,230 |

Separate financial statements

| Principal actuarial assumptions | Consolio financial st | | Separate financial statements | |
|---------------------------------|--------------------------|--------------|----------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | | % | | |
| Discount rate | 1.92 - 3.20 | 2.55 - 3.20 | 1.92 - 2.48 | 2.55 - 3.02 |
| Future salary growth | 2.50 - 4.00 | 2.50 - 5.00 | 4.00 | 5.00 |
| Employee turnover | 3.58 - 28.65 | 5.00 - 34.38 | 3.58 - 28.65 | 5.00 - 34.38 |

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

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 15 years (2020: 14 years).

Sensitivity analysis

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

| | Consolidated financial statements | | | | |
|--|-----------------------------------|-----------------|------------------------|-----------|--|
| Effect to the defined benefit obligation | Increase ir | n assumption | Decrease in assumption | | |
| At 31 December | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousand | US Dollar) | | |
| Post-employment benefits | | | | | |
| Discount rate (1%) | (133) | (148) | 155 | 171 | |
| Future salary growth (1%) | 153 | 182 | (134) | (159) | |
| Employee turnover (20%) | (52) | 101 | 60 | 105 | |
| | (32) | (82) | 00 | 105 | |
| Future mortality (20%) | (7) | (8) | 8 | 8 | |
| | (7) | (0) | 0 | 0 | |
| Other long-term employee benefits | | | | | |
| Discount rate (1%) | (3) | (5) | 3 | 6 | |
| Employee turnover (20%) | (3) | (9) | 4 | 12 | |
| | (3) | | | 16 | |
| | Consolidated financial statements | | | | |
| Effect to the defined benefit obligation | Increase ir | assumption | Decrease in a | ssumption | |
| At 31 December | 2021 | 2020 | 2021 | 2020 | |
| | | nd Baht) | | | |
| Post-employment benefits | | | | | |
| Discount rate (1%) | (4,445) | (4,445) | 5,180 | 5,136 | |
| Future salary growth (1%) | 5,113 | 5,467 | (4,478) | (4,776) | |
| Employee turnover (20%) | (1,738) | (2,463) | 2,005 | 3,154 | |
| Future mortality (20%) | (234) | (240) | 2,005 | 240 | |
| | (231) | (210) | 207 | 210 | |
| Other long-term employee benefits | | | | | |
| Discount rate (1%) | (100) | (150) | 100 | 180 | |
| Employee turnover (20%) | (100) | (270) | 134 | 360 | |
| | (100) | (270) | 154 | 500 | |
| | | Separate financ | ial statements | | |
| Effect to the defined benefit obligation | Increase ir | assumption | Decrease in a | ssumption | |
| At 31 December | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousand | US Dollar) | | |
| Post-employment benefits | | | | | |
| Discount rate (1%) | (33) | (25) | 38 | 29 | |
| Future salary growth (1%) | 37 | 33 | (32) | (29) | |
| Employee turnover (20%) | (30) | (41) | 35 | 52 | |
| Future mortality (20%) | (4) | (41) | 4 | 4 | |
| Tuture montality (20/0/ | (4) | (4) | 4 | 4 | |
| Other long-term employee benefits | | | | | |
| Discount rate (1%) | (2) | (1) | 2 | 1 | |
| Employee turnover (20%) | (2) | (1) | 2 | 1 4 | |
| | (2) | (3) | Z | 4 | |

| | Separate financial statements | | | | | |
|--|-------------------------------|------------|-------------|------------|--|--|
| Effect to the defined benefit obligation | Increase in | assumption | Decrease in | assumption | | |
| At 31 December | 2021 | 2020 | 2021 | 2020 | | |
| | | (in thousa | and Baht) | | | |
| Post-employment benefits | | | | | | |
| Discount rate (1%) | (1,103) | (751) | 1,270 | 871 | | |
| Future salary growth (1%) | 1,237 | 991 | (1,069) | (871) | | |
| Employee turnover (20%) | (1,003) | (1,232) | 1,170 | 1,562 | | |
| Future mortality (20%) | (134) | (120) | 134 | 120 | | |
| Other long-term employee benefits | | | | | | |
| Discount rate (1%) | (67) | (30) | 67 | 30 | | |
| Employee turnover (20%) | (67) | (90) | 67 | 120 | | |

15 Segment information and disaggregation of revenue

(a) Segment information

Segment results that are reported to the Group's Chief Operation Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Management determined that the Group has two reportable segments, as described below, which are the Group's strategic divisions for different services, and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

| Segment | 1 | Subsea group |
|---------|---|--------------|
| Segment | 2 | Holding |

| | | Conso For the y | Consolidated financial statements For the year ended 31 December 2021 | ents r 2021 | |
|--|-----------------|--------------------|--|----------------|----------|
| - | Subsea group | Holding | Total | Elimination | Group |
| • | | | (in thousand US Dollar) | | |
| <i>Disaggregation of revenue</i> Primary geographical markets | | | | | |
| Saudi Arabia | 93,732 | | 93,732 | | 93,732 |
| Thailand | 11,944 | ı | 11,944 | ı | 11,944 |
| United Arab Emirates | 2,886 | ı | 2,886 | ı | 2,886 |
| Qatar | 1,550 | ı | 1,550 | I | 1,550 |
| Myanmar | 1,480 | | 1,480 | | 1,480 |
| Total revenue | 111,592 | | 111,592 | | 111,592 |
| Major products/service lines | | | | | |
| Providing services | 111,592 | | 111,592 | , | 111,592 |
| Total revenue | 111,592 | | 111,592 | • | 111,592 |
| Timing of revenue recognition | | | | | |
| Over time | 111,592 | ı | 111,592 | • | 111,592 |
| Total revenue | 111,592 | | 111,592 | | 111,592 |
| Information about reportable segment | | | | | |
| Revenue from rendering of services | 111,592 | 1 | 111,592 | | 111,592 |
| Operating profit (loss) | (7,542) | (28,113) | (35,655) | 21,830 | (13,825) |
| Share of profit (loss) of associates and joint venture | 491 | 42 | 533 | | 533 |
| Finance costs | (1,697) | (24) | (1,721) | 92 | (1,629) |
| Tax expense | (749) | (1) | (750) | | (750) |
| Profit (loss) for the year | (9,497) | (28,096) | (37,593) | 21,922 | (15,671) |

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| | | Conso For the J | Consolidated financial statements For the year ended 31 December 2021 | ents rr 2021 | |
|--|---------|--------------------|--|-----------------|---------|
| | Subsea | Holding | Total | Flimination | Group |
| | 0 | | (in thousand US Dollar) | | |
| Total assets | 222,799 | 115,366 | 338,165 | (79,533) | 258,632 |
| Total liabilities | 214,223 | 6,652 | 220,875 | (122,918) | 97,957 |
| Capital expenditure | 5,268 | 2,011 | 7,279 | ı | 7,279 |
| Depreciation | 14,400 | 376 | 14,776 | ı | 14,776 |
| Amortisation | 6 | 4 | 13 | ı | 13 |
| Gain on disposal property, plant and equipment | 789 | 2 | 791 | · | 791 |
| Impairment loss determine in accordance with TFRS9 | 688 | ı | 688 | ı | 688 |
| Gain on liquidation of subsidiary | ı | 1,258 | 1,258 | ı | 1,258 |
| | | | | | |

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| Consolidated financial statements. For the year ended 31 December 2020 Disaggregation of revenue Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Saudi Arabia Gatar Consolidated financial statements For the year ended 31 December 2020 Disaggregation of revenue Saudi Arabia Gatar Holding Total En Disaggregation of revenue Saudi Arabia Gatar $19,940$ $10,940$ $10,940$ $10,940$ Catal revenue Major products/service lines $33,786$ $ 33,786$ $ 23,786$ $-$ Major products/service lines $33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ 33,786$ $ -$ | 20 Elimination Group - (7) 63,620 19,940 212 - (7) 83,779 83,779 83,779 (7) 83,779 83,779 (68,085) - (908) - (2,229) - (2,486) - |
|---|---|
|---|---|

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| | | For the y | For the year ended 31 December 2020 | 2020 | |
|---|---------|-----------|-------------------------------------|-------------|---------|
| | Subsea | | | | |
| | group | Holding | Total | Elimination | Group |
| 1 | | | (in thousand US Dollar) | | |
| Total assets | 209,193 | 134,120 | 343,313 | (82,806) | 260,507 |
| Total liabilities | 218,026 | 1,820 | 219,846 | (136,642) | 83,204 |
| Capital expenditure | 12,282 | 47 | 12,329 | ı | 12,329 |
| Depreciation | 14,139 | 367 | 14,506 | I | 14,506 |
| Amortisation | 34 | 7 | 41 | I | 41 |
| Gain (loss) on disposal property, plant and equipment | (10) | 26 | 16 | Q | 22 |
| Impairment losses recognised in profit or loss | 2,066 | ı | 2,066 | ı | 2,066 |
| Impairment loss determine in accordance with TFRS9 | 7,940 | · | 7,940 | I | 7,940 |
| | | | | | |

Consolidated financial statements

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| | | For the | For the year ended 31 December 2021 | er 2021 | |
|---|-----------------|-----------|-------------------------------------|-------------|------------|
| - - | Subsea group | Holding | Total | Elimination | Group |
| | - | | (in thousand Baht) | | - |
| Disaggregation of revenue | | | | | |
| Primary geographicat markets Saudi Arabia | 3 021 635 | | 3 021 635 | | 3 0 21 635 |
| Jauur Madia Tiii | 0,02 I,000 | | 1,021,000 200 010 | | |
| Ihailand | 390,916 | ı | 390,916 | 1 | 390,916 |
| United Arab Emirates | 95,257 | | 95,257 | I | 95,257 |
| Qatar | 48,061 | | 48,061 | | 48,061 |
| Myanmar | 49,400 | | 49,400 | | 49,400 |
| Total revenue | 3,605,269 | | 3,605,269 | | 3,605,269 |
| Major products/service lines | | | | | |
| Providing services | 3,605,269 | I | 3,605,269 | ı | 3,605,269 |
| Total revenue | 3,605,269 | I | 3,605,269 | • | 3,605,269 |
| Timing of revenue recognition | | | | | |
| Over time | 3,605,269 | | 3,605,269 | | 3,605,269 |
| Total revenue | 3,605,269 | ı | 3,605,269 | | 3,605,269 |
| Information about reportable segment | | | | | |
| Revenue from rendering of services | 3,605,269 | ı | 3,605,269 | | 3,605,269 |
| Operating profit (loss) Share of profit (lose) of associates and | (261,884) | (912,224) | (1,174,108) | 728,776 | (445,332) |
| joint venture | 17,535 | 1,288 | 18,823 | ı | 18,823 |
| Finance costs | (54, 165) | (776) | (54,941) | 2,944 | (51,997) |
| Tax (expense) income | (23,673) | 149 | (23,524) | | (23,524) |
| Profit (loss) for the year | (322,187) | (911,563) | (1,233,750) | 731,720 | (502,030) |

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| | | For the | For the year ended 31 December 2021 | r 2021 | |
|--|-----------|-----------|-------------------------------------|-------------|-----------|
| 1 | Subsea | | | | |
| | group | Holding | Total | Elimination | Group |
| | | | (in thousand Baht) | | |
| Total assets | 7,445,923 | 3,855,520 | 11,301,443 | (2,657,985) | 8,643,458 |
| Total liabilities | 7,159,310 | 222,309 | 7,381,619 | (4,107,907) | 3,273,712 |
| Capital expenditure | 176,056 | 67,207 | 243,263 | ı | 243,263 |
| Depreciation | 460,260 | 12,016 | 472,276 | I | 472,276 |
| Amortisation | 275 | 125 | 400 | ı | 400 |
| Gain on disposal property, plant and equipment | 24,346 | 61 | 24,407 | I | 24,407 |
| Impairment loss determine in accordance with TFRS9 | 22,590 | ı | 22,590 | I | 22,590 |
| Gain on liquidation of subsidiary | | 41,990 | 41,990 | | 41,990 |
| | | | | | |

Consolidated financial statements

| | | Conso For the y | Consolidated financial statements For the year ended 31 December 2020 | ents :r 2020 | |
|--|-------------|--------------------|--|-----------------|-------------|
| | Subsea | Holding | Total | Flimination | Groun |
| | 0 | 9 | (in thousand Baht) | | 5 |
| <i>Disaggregation of revenue</i> Primary geographical markets | | | | | |
| Saudi Arabia | 1,990,890 | I | 1,990,890 | (219) | 1,990,671 |
| Qatar | 619,130 | · | 619,130 | · | 619,130 |
| Myanmar | 6,633 | | 6,633 | | 6,633 |
| Thailand | 208 | - | 208 | - | 208 |
| Total revenue | 2,616,861 | | 2,616,861 | (219) | 2,616,642 |
| Major products/service lines | | | | | |
| Providing services | 2,616,861 | ı | 2,616,861 | (219) | 2,616,642 |
| Total revenue | 2,616,861 | ı | 2,616,861 | (219) | 2,616,642 |
| Timing of revenue recognition | 120 212 C | | 190 919 C | (010) | |
| Over time | 2,010,001 | | 2,010,801 | (617) | 2,010,042 |
| Total revenue | 2,616,861 | | 2,616,861 | (219) | 2,616,642 |
| Information about reportable segment | | | | | |
| Revenue from rendering of services | 2,616,861 | | 2,616,861 | (219) | 2,616,642 |
| Operating profit (loss) | (1,018,538) | (3,841,410) | (4,859,948) | 3,734,024 | (1,125,924) |
| Loss on disposal of investment in an associate | | (2,132,885) | (2,132,885) | ı | (2,132,885) |
| Share of loss of associates and joint venture | (1,245) | (Z/, 163) | (28,408) | 1 | (28,408) |
| Finance costs | (70,687) | (343) | (71,030) | 1,185 | (69,845) |
| Tax (expense) income | (77,451) | 184 | (77,267) | | (77,267) |
| Profit (loss) for the year | (1,167,921) | (6,001,617) | (7,169,538) | 3,735,209 | (3,434,329) |
| | | | | | |

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| | | Cons For the | Consolidated financial statements For the year ended 31 December 2020 | ents r 2020 | |
|---|-----------|-----------------|--|----------------|-----------|
| | Subsea | Holding | Total | Flimination | Group |
| Total assets | 6 283 551 | 4 0 28 5 76 | (in thousand Baht) 10312127 | (2 487 252) | 7 874 875 |
| Total Internation | | | | | |
| | 0,040,000 | 000,450 | 0000,000,0 | (4,104,229) | 2,433,201 |
| Capital expenditure | 368,915 | 1,412 | 370,327 | I | 370,327 |
| Depreciation | 442,348 | 11,465 | 453,813 | 1 | 453,813 |
| Amortisation | 1,063 | 219 | 1,282 | | 1,282 |
| Gain (loss) on disposal property, plant and equipment | (291) | 815 | 524 | 192 | 716 |
| Impairment losses recognised in profit or loss | 63,250 | ı | 63,250 | | 63,250 |
| Impairment loss determine in accordance with TFRS9 | 248,329 | 1 | 248,329 | 1 | 248,329 |

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(b) Geographical information

Segments Subsea and Holding are managed on a worldwide basis but mainly operate and provide services in Thailand, Qatar, United Arab Emirates, Myanmar and Saudi Arabia.

In presenting information on the basic of geographical segments, assets are based on the geographical location of the assets.

| | | Asse | ts | |
|----------------------|-------------|---------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousan | nd US Dollar) | (in thous | and Baht) |
| Thailand | 190,980 | 196,707 | 6,382,533 | 5,908,508 |
| Saudi Arabia | 54,276 | 50,234 | 1,813,899 | 1,508,884 |
| United Arab Emirates | 6,908 | 435 | 230,865 | 13,066 |
| Cayman | 4,875 | 6 | 162,922 | 180 |
| Qatar | 1,196 | 12,214 | 39,970 | 366,873 |
| Singapore | 231 | 652 | 7,720 | 19,584 |
| Other countries | 166 | 259 | 5,549 | 7,780 |
| Total | 258,632 | 260,507 | 8,643,458 | 7,824,875 |

(c) Major customers

Revenues from the major customers of the Group's Segments Subsea represents approximately US Dollar 73.0 million (2020: US Dollar 79.0 million) of the Group's total revenues.

16 Cost of rendering of services

| | | Consolidated finan | cial statements | |
|--------------------------------|-------------|--------------------|-----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousar | nd US Dollar) | (in thous | sand Baht) |
| Crew, staff and subcontractor | | | | |
| costs | 46,139 | 44,982 | 1,485,359 | 1,405,386 |
| Vessel expenses and repair and | | | | |
| maintenance expenses | 29,398 | 21,530 | 951,041 | 673,474 |
| Charter hire and equipment | | | | |
| rental | 16,061 | 9,161 | 531,262 | 288,470 |
| Depreciation | 14,181 | 13,866 | 453,271 | 433,806 |
| Recharge expenses related to | | | | |
| services provided | 1,052 | 3,138 | 33,561 | 98,667 |
| Mobilisation/demobilisation | | | | |
| expense | 6,394 | 2,675 | 206,107 | 83,516 |
| Total | 113,225 | 95,352 | 3,660,601 | 2,983,319 |

17 Administrative expenses

| | | Consolidated finan | icial statements | |
|---------------------------------|------------|--------------------|------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousa | nd US Dollar) | (in thous | sand Baht) |
| Employee benefit expense | 9,010 | 8,845 | 288,365 | 277,054 |
| Professional fees | 1,098 | 1,809 | 34,633 | 56,451 |
| Impairment loss determine in | | | | |
| accordance with TFRS9 | 688 | 7,940 | 22,590 | 248,329 |
| Depreciation | 595 | 640 | 19,005 | 20,007 |
| Withholding tax not | | | | |
| recoverable | 574 | 1,006 | 18,645 | 31,586 |
| Travelling expenses | 417 | 501 | 13,436 | 15,640 |
| Office and office equipment | | | | |
| rental | 267 | 255 | 8,600 | 7,976 |
| Bank charge | 186 | 205 | 5,837 | 6,414 |
| Amortisation | 13 | 41 | 400 | 1,282 |
| Impairment losses recognised in | | | | |
| profit or loss | - | 2,066 | - | 63,250 |
| Others | 1,547 | 1,356 | 49,577 | 42,284 |
| Total | 14,395 | 24,664 | 461,088 | 770,273 |

| | Separate financial statements | | | | | |
|---------------------------------|-------------------------------|---------------|-----------|------------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousai | nd US Dollar) | (in thous | sand Baht) | | |
| Employee benefit expense | 1,985 | 2,211 | 63,163 | 69,169 | | |
| Professional fees | 557 | 933 | 17,406 | 29,163 | | |
| Depreciation | 376 | 369 | 12,016 | 11,528 | | |
| Travelling expenses | 21 | 53 | 675 | 1,660 | | |
| Impairment losses recognised in | | | | | | |
| profit or loss | - | 101,597 | - | 3,110,352 | | |
| Loss from loan transfer from a | | | | | | |
| subsidiary | - | 13,373 | - | 427,231 | | |
| Impairment loss determine in | | | | | | |
| accordance with TFRS9 | - | 6,442 | - | 197,219 | | |
| Others | 508 | 387 | 16,235 | 12,092 | | |
| Total | 3,447 | 125,365 | 109,495 | 3,858,414 | | |

18 Employee benefit expense

| | Consolidated financial statements | | | | | |
|-------------------------------|-----------------------------------|---------------|------------|-----------|--|--|
| | 2021 | 2021 2020 | | 2020 | | |
| | (in thousa | nd US Dollar) | (in thousa | and Baht) | | |
| Crew expenses and | | | | | | |
| subcontractor | 46,139 | 44,982 | 1,485,359 | 1,405,386 | | |
| Wages and salaries | 6,461 | 5,654 | 207,590 | 176,867 | | |
| Staff welfare | 1,617 | 1,981 | 51,396 | 62,331 | | |
| Contribution to defined | | | | | | |
| contribution plans and social | | | | | | |
| security and expenses related | | | | | | |
| to define benefit plans | 709 | 767 | 22,542 | 23,987 | | |
| Bonus (reduction) | (43) | 182 | (1,642) | 5,703 | | |
| Others | 266 | 261 | 8,479 | 8,166 | | |
| Total | 55,149 | 53,827 | 1,773,724 | 1,682,440 | | |

| | Separate financial statements | | | | | |
|-------------------------------|-------------------------------|---------------|-----------|------------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousa | nd US Dollar) | (in thous | sand Baht) | | |
| Wages and salaries | 1,550 | 1,561 | 49,473 | 48,816 | | |
| Staff welfare | 167 | 233 | 5,354 | 7,307 | | |
| Contribution to defined | | | | | | |
| contribution plans and social | | | | | | |
| security and expenses related | | | | | | |
| to define benefit plans | 147 | 138 | 4,706 | 4,316 | | |
| Bonus (reduction) | (33) | 130 | (1,283) | 4,066 | | |
| Others | 154 | 149 | 4,913 | 4,664 | | |
| Total | 1,985 | 2,211 | 63,163 | 69,169 | | |

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate 7% of their basic salaries and by the Group at rate 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

19 Income tax

| Income tax recognized in p | profit | fit Consolidated financial statements | | | | | |
|---|-------------------------------|---------------------------------------|------------------|---------------|---------------|--------|--|
| or loss | | 2021 | 2020 | 202 | 21 | 2020 | |
| | | (in thousand US Dollar) | | | in thousand B | Baht) | |
| Current tax expense | | | | | | | |
| Current taxes | | 749 | 390 | 23 | ,673 | 12,026 | |
| Adjustment for prior year | | - | 14 | | - | 438 | |
| | | 749 | 404 | 23 | ,673 | 12,464 | |
| Deferred tax expense | | | | | | | |
| Movement in temporary | | | 2 | | (1.10) | 64.000 | |
| differences | | 1 | 2,082 | | (149) | 64,803 | |
| Total | | 750 | 2,486 | 23 | ,524 | 77,267 | |
| | Separate financial statements | | | | | | |
| | | 2021 | 2020 | | 2021 2020 | | |
| | | (in thousand | | | in thousand E | | |
| Deferred tax expense (bene | fit) | (in thousand | 05 Dollar | () | | | |
| Movement in temporary | ,110/ | | | | | | |
| differences | | 1 | (6) | | (149) | (184) | |
| Total | | 1 | (6) | | (149) | (184) | |
| | _ | | | _ | | | |
| Income tax | | Co | onsolidated fina | ancial statem | ents | | |
| | | 2021 | | | 2020 | | |
| | Before | Tax | | Before | Tax | | |
| | tax | (expense) | Net of | tax | (expense) | Net of | |
| | (Note 14) | benefit | tax | (Note 14) | benefit | tax | |
| | | (in thousand US Dollar) | | | | | |
| <i>Recognised in other</i> <i>comprehensive income</i> Defined benefit plan | | | | | | | |
| actuarial gains (losses) | 298 | 4 | 302 | (93) | (3) | (96) | |
| Total | 298 | · <u> </u> | 302 | (93) | (3) | (96) | |
| , otat | 2.50 | · | 502 | (33) | | (30) | |

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| Income tax | | Cor | nsolidated fina | ancial stateme | ents | |
|---|-----------|-----------|-----------------|----------------|-----------|---------|
| | | 2021 | | | 2020 | |
| | Before | Tax | | Before | Tax | |
| | tax | (expense) | Net of | tax | (expense) | Net of |
| | (Note 14) | benefit | tax | (Note 14) | benefit | tax |
| | | | (in thous | and Baht) | | |
| Recognised in other comprehensive income | | | | | | |
| Defined benefit plan | | | | | | |
| actuarial gains (losses) | 9,941 | 133 | 10,074 | (2,913) | (92) | (3,005) |
| Total | 9,941 | 133 | 10,074 | (2,913) | (92) | (3,005) |
| Income tax | | S | eparate finan | cial statement | S | |
| | | 2021 | • | | 2020 | |
| | Before | Tax | | Before | Tax | |
| | tax | (expense) | Net of | tax | (expense) | Net of |
| | (Note 14) | benefit | tax | (Note 14) | benefit | tax |
| | | | (in thousan | d US Dollar) | | |
| <i>Recognised in other</i> <i>comprehensive income</i> Defined benefit plan | | | | | | |
| actuarial gains (losses) | (8) | 4 | (4) | - | - | - |
| Total | (8) | 4 | (4) | - | - | - |
| Income tax | | | enarate finan | cial statement | | |
| | | 2021 | cparate inian | cial statement | 2020 | |
| | Before | Tax | | Before | Tax | |
| | tax | (expense) | Net of | tax | (expense) | Net of |
| | (Note 14) | benefit | tax | (Note 14) | benefit | tax |
| | | Denent | | and Baht) | Denent | tux |
| Recognised in other | | | | | | |
| comprehensive income | | | | | | |
| Defined benefit plan | | | | | | |
| actuarial gains (losses) | (267) | 133 | (134) | - | - | - |
| Total | (267) | 133 | (134) | | | |
| i stat | (2077 | 100 | (1)-1/ | | | |
| | | | | | | |

Reconciliation of effective tax rate

The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the weighted average effective tax rate to profits of the consolidated entities as follows:

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|--------------|-----------|-------------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousand | d US Dollar) | (in thou | sand Baht) | | |
| Loss before income tax – accounting | (14,921) | (107,108) | (478,506) | (3,357,062) | | |
| Tax at the domestic rate of 20% | (2,984) | (21,422) | (95,701) | (671,412) | | |
| Adjustments: | | | | | | |
| Effect of difference tax rate in foreign jurisdictions Income not subject to tax and | (525) | (20,875) | (16,788) | (653,254) | | |
| additional taxable expenses | (454) | (2,570) | (14,518) | (80,425) | | |
| Expenses not deductible for tax purposes | 9,800 | 42,824 | 313,198 | 1,340,630 | | |
| Utilisation of previously unrecognised tax losses | (4,708) | (87) | (150,548) | (2,723) | | |
| Tax losses and temporary differences for which no | | | | | | |
| deferred income tax were recognised | 251 | 4,624 | 8,026 | 144,702 | | |
| Adjustments in respect of prior year | - | 14 | - | 438 | | |
| Remeasurement of (gain) loss on exchange rate of US Dollar | | | | | | |
| financial statement Remeasurement of (gain) loss on | (1,042) | 63 | (33,320) | 1,971 | | |
| exchange rate of Thai Baht financial statement | 412 | (85) | 13,175 | (2,660) | | |
| Total income tax expense | 750 | 2,486 | 23,524 | 77,267 | | |
| | | | | | | |
| The average effective tax rate | 5% | 2% | 5% | 2% | | |

| | Separate financial statements | | | | | | |
|--|-------------------------------|--------------|--------------------|-------------|--|--|--|
| | 2021 | 2020 | 2021 | 2020 | | | |
| | (in thousand | d US Dollar) | (in thousand Baht) | | | | |
| Loss before income tax – accounting | (27,936) | (202,871) | (908,477) | (6,277,074) | | | |
| Tax at the domestic rate of 20% | (5,587) | (40,574) | (181,695) | (1,255,415) | | | |
| Adjustments: | | | | | | | |
| Expenses not deductible for tax purposes | 4,364 | 40,136 | 142,406 | 1,241,712 | | | |
| Utilisation of previously unrecognised tax losses Tax losses for which no deferred | (55) | - | (1,759) | - | | | |
| income tax assets were recognised | - | 590 | - | 18,463 | | | |
| Remeasurement of (gain) loss on exchange rate of US Dollar financial statement | 867 | (34) | 27,724 | (1,064) | | | |
| Remeasurement of (gain) loss on exchange rate of Thai Baht | | | | | | | |
| financial statement | 412 | (124) | 13,175 | (3,880) | | | |
| Total income tax expense (benefit) | 1 | (6) | (149) | (184) | | | |
| The average effective tax rate | 0% | 0% | 0% | 0% | | | |

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

Deferred tax as at 31 December were as follows:

| | Consolidated financial statements | | | | | | |
|-------------------------|-----------------------------------|------|-------------|------|--|--|--|
| | Ass | ets | Liabilities | | | | |
| | 2021 | 2020 | 2021 | 2020 | | | |
| | (in thousand US Dollar) | | | | | | |
| Total | 57 | 54 | - | - | | | |
| Net deferred tax assets | 57 | 54 | - | _ | | | |

| | C | Consolidated financial statements | | | | | | |
|-------------------------|-------|-----------------------------------|-------------|------|--|--|--|--|
| | Ass | sets | Liabilities | | | | | |
| | 2021 | 2020 | 2021 | 2020 | | | | |
| | | (in thousand Baht) | | | | | | |
| Total | 1,905 | 1,622 | - | - | | | | |
| Net deferred tax assets | 1,905 | 1,622 | - | - | | | | |

| | Separate financial statements | | | | | | |
|-------------------------|-------------------------------|------|-------------|------|--|--|--|
| | Ass | iets | Liabilities | | | | |
| | 2021 | 2020 | 2021 | 2020 | | | |
| | (in thousand US Dollar) | | | | | | |
| Total | 57 | 54 | - | - | | | |
| Net deferred tax assets | 57 | 54 | - | - | | | |
| | | Separate financia | l statements | |
|-------------------------|-------|-------------------|--------------|----------|
| | Ass | ets | Liab | vilities |
| | 2021 | 2020 | 2021 | 2020 |
| | | (in thousan | d Baht) | |
| Total | 1,905 | 1,622 | - | - |
| Net deferred tax assets | 1,905 | 1,622 | - | - |

Movements in total deferred tax assets and liabilities during the year were as follows:

| (Charged) / Credited to : At 1 Other At 31 January comprehensive Deferred tax assets Retirement benefits obligation Total 54 (1) 4 57 Consolidated financial statements Consolidated financial statements <th></th> <th></th> <th>Consoli</th> <th>dated financial stat</th> <th>ements</th> <th></th> | | | Consoli | dated financial stat | ements | | |
|--|--|--------|-----------|----------------------|-------------|-------------|------|
| January 2021comprehensive Profit or loss (in thousand US Dollar)December 2021Deferred tax assets Retirement benefits obligation54(1)457Total54(1)457Consolidated financial statements(Charged) / Credited to : (Charged) / Credited to : At 1At 1OtherAt 31January 2021Profit or losscomprehensive incomeDeferred tax assets Retirement benefits obligation1,6221,62214913311,6221491331,6221491331,6221491331,6221491331,6221492021Consolidated financial statements (Charged) / Credited to : (Charged) / Credited to : At 10therAt 1 January 2020OtherAt 31 December 2020Deferred tax assets Property, plant and equipment Provisions153(153)-153(153)Provisions345(345) | | Δ+ 1 | (Ch | - | | Δ+ 31 | |
| Deferred tax assets Retirement benefits obligation2021Profit or loss (in thousand US Dollar)2021Deferred tax assets Retirement benefits obligation54(1)457Total54(1)457Consolidated financial statements(Charged) / Credited to : (Charged) / Credited to : At 1Deferred tax assets Retirement benefits obligation Total1,62214913311,905Deferred tax assets Retirement benefits obligation Total1,62214913311,905Deferred tax assets Retirement benefits obligation Total1,62214913311,905Deferred tax assets Retirement benefits obligation Total1,62214913311,905Deferred tax assets Property, plant and equipment Provisions153(153)Provisions345(345) | | | | | | | |
| (in thousand US Dollar) Deferred tax assets Retirement benefits obligation Total (1) 4 57 Consolidated financial statements (Charged) / Credited to : At 1 Other At 31 January Profit or comprehensive Translation adjustments December 2021 Consolidated financial statements (Charged) / Credited to : At 1 Other At 31 Deferred tax assets Retirement benefits obligation 1,622 149 133 1 1,905 Consolidated financial statements Consolidated financial statements (Charged) / Credited to : At 1 Other At 31 January comprehensive December 2020 Profit or loss income 2020 Other At 31 | | - | Profit o | | | | |
| Retirement benefits obligation 54 (1) 4 57 Total 54 (1) 4 57 Consolidated financial statements Consolidated financial statements (Charged) / Credited to : At 31 January Profit or comprehensive Translation January Profit or comprehensive Translation At 31 Deferred tax assets 1,622 149 133 1 1,905 Consolidated financial statements (Charged) / Credited to : At 31 December Deferred tax assets Consolidated financial statements 2021 1,905 Consolidated financial statements (Charged) / Credited to : At 31 1,905 Consolidated financial statements (Charged) / Credited to : At 31 December January comprehensive December 2020 Profit or loss income 2020 Profit or loss income 2020 Deferred tax assets Property, plant and equipment 153 (153) - - 345 (345) | | | (in | | | | |
| Total54(1)457Consolidated financial statements(Charged) / Credited to : (Charged) / Credited to : OtherAt 1OtherAt 31January 2021Profit or comprehensive (in thousand Baht)Deferred tax assets Retirement benefits obligation1,6221,6221491331,6221491331,6221491331,6221491331,9051,905Consolidated financial statements (Charged) / Credited to : OtherAt 31January 2020Comprehensive (in thousand US Dollar)Deferred tax assetsProperty, plant and equipment Provisions153153(153)153(153)153(153)153(153)154345(345)- | Deferred tax assets | | | | | | |
| Consolidated financial statements (Charged) / Credited to : At 1 Other At 31 January Profit or comprehensive Translation 2021 Deferred tax assets Translation December Retirement benefits obligation 1,622 149 133 1 1,905 Consolidated financial statements Consolidated financial statements 1,905 Consolidated financial statements (Charged) / Credited to : At 31 Deferred tax assets Property, plant and equipment 153 (153) - Provisions 345 (345) - | _ | | | | | | |
| At 1OtherAt 31January 2021Profit or losscomprehensive income (in thousand Baht)Translation adjustmentsAt 31Deferred tax assets Retirement benefits obligation Total1,62214913311,9051,62214913311,9051,62214913311,90501,62214913311,9051,62214913311,90501,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,90520201,62214913312020Consolidated financial statements (Charged) / Credited to : (In thousand US Dollar)December 20202020Profit or lossincome2020Property, plant and equipment Provisions153(153)-700345(345) | Total | 54 | | (1) | 4 | 57 | |
| At 1OtherAt 31January 2021Profit or losscomprehensive income (in thousand Baht)Translation adjustmentsAt 31Deferred tax assets Retirement benefits obligation Total1,62214913311,9051,62214913311,9051,62214913311,90501,62214913311,9051,62214913311,90501,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,90520201,62214913312020Consolidated financial statements (Charged) / Credited to : (In thousand US Dollar)December 20202020Profit or lossincome2020Property, plant and equipment Provisions153(153)-700345(345) | | | Consoli | dated financial stat | ements | | |
| January 2021Profit or losscomprehensive income (in thousand Baht)Translation adjustmentsDecember 2021Deferred tax assets Retirement benefits obligation Total1,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,62214913311,9051,622149162161,9052020Consolidated financial statements (Charged) / Credited to : At 1 January 2020Comprehensive (in thousand US Dollar)At 31 December 2020Deferred tax assets Property, plant and equipment Provisions153 345(153) (345) | | | | | | | |
| Deferred tax assets Retirement benefits obligation Total2021loss (in thousand Baht)adjustments20211,62214913311,9051,62214913311,9051,62214913311,90501,62214913311,62214913311,9051,62214913311,90501,62214913311,62214913311,9051,62214913311,90501,62214913311,62214913311,9051,62214913311,9050000001,62214913311,9051,6221,62214913311,9050000001,6221,62214901,9051,6221,6221491,6221,9051,62200001,62200001,62200001,62200001,62200001,62300001,62400001,62500001,62500001,6250 | | At 1 | | Other | | At 31 | |
| (in thousand Baht)Deferred tax assetsRetirement benefits obligation1,62214913311,905Total1,62214913311,905Consolidated financial statements(Charged) / Credited to :At 1OtherAt 31Januarycomprehensive2020Profit or lossincome2020Profit or lossincome2020OtherAt 31December2020Profit or lossincome2020Profit or lossincome2020OtherAt 31December2020Profit or lossincome2020OtherAt 31December2020Profit or lossincome2020(in thousand US Dollar)Deferred tax assetsProperty, plant and equipment153(153)Provisions345(345) | | - | Profit or | comprehensive | | | |
| Deferred tax assetsRetirement benefits obligation1,62214913311,905Total1,62214913311,905Consolidated financial statements(Charged) / Credited to :At 1OtherAt 31January2020Profit or lossincome2020Profit or lossincome2020Profit or lossincome2020Profit or lossincome2020Profit or lossincome2020Property, plant and equipment153(153)Provisions345(153) <th colspa<="" td=""><th></th><td>2021</td><td></td><td></td><td>adjustments</td><td>2021</td></th> | <th></th> <td>2021</td> <td></td> <td></td> <td>adjustments</td> <td>2021</td> | | 2021 | | | adjustments | 2021 |
| Retirement benefits obligation1,62214913311,905Total1,62214913311,905Consolidated financial statements(Charged) / Credited to :At 1OtherAt 31January2020Profit or lossincome2020Property, plant and equipment153(153)Provisions345(345) | Deferred tax accets | | (| in thousand Baht) | | | |
| Total1,62214913311,905Consolidated financial statements (Charged) / Credited to : OtherAt 1OtherAt 31January 20202020Profit or lossincome2020Profit or lossincome2020Profit or lossincome2020Profit or lossincome2020Other4345(153) <t< td=""><th></th><td>1 622</td><td>149</td><td>133</td><td>1</td><td>1 905</td></t<> | | 1 622 | 149 | 133 | 1 | 1 905 | |
| Consolidated financial statements Consolidated financial statements (Charged) / Credited to : At 1 Other At 31 January comprehensive December 2020 Profit or loss income 2020 Deferred tax assets Property, plant and equipment 153 (153) - - Provisions 345 (345) - - - | _ | | | | | | |
| (Charged) / Credited to :At 1OtherAt 31JanuarycomprehensiveDecember2020Profit or lossincome2020Deferred tax assetsProperty, plant and equipment153(153)-Provisions345(345) | | | | | | | |
| At 1OtherAt 31JanuarycomprehensiveDecember2020Profit or lossincome2020Profit or lossincome2020Cin thousand US Dollar)00Property, plant and equipment153(153)-Provisions345(345) | | | | | | | |
| January 2020comprehensive Profit or loss (in thousand US Dollar)December 2020Deferred tax assets Property, plant and equipment153(153)-Provisions345(345) | | | (Ch | | | | |
| 2020Profit or loss (in thousand US Dollar)2020Deferred tax assetsProperty, plant and equipment153(153)-Provisions345(345) | | | | - | | | |
| (in thousand US Dollar)Deferred tax assetsProperty, plant and equipment153(153)-Provisions345(345) | | | Drofit c | • | | | |
| Deferred tax assets153(153)-Property, plant and equipment153(153)-Provisions345(345)- | | 2020 | | | | 2020 | |
| Provisions 345 (345) | Deferred tax assets | | (11) | | | | |
| | Property, plant and equipment | 153 | | (153) | - | - | |
| Retirement benefits obligation 147 (90) (3) 54 | | | | | - | - | |
| 6 | - | | | | (3) | 54 | |
| Loss carry forward <u>1,494</u> (1,494) | - | | | | - (2) | - | |
| Total 2,139 (2,082) (3) 54 | Iotal | 2,139 | | (2,082) | (3) | 54 | |
| Consolidated financial statements | | | | | | | |
| (Charged) / Credited to : | | | | | | | |
| At 1 Other At 31 | | At 1 | | Other | | | |
| January Profit or comprehensive Translation December | | • | | | | | |
| 2020 loss income adjustments 2020 | | 2020 | | | adjustments | 2020 | |
| Deferred tax assets (in thousand Baht) | Deferred tax assets | | (| in thousand Baht) | | | |
| Property, plant and equipment 4,614 (4,684) - 70 - | | 4.614 | (4,684) | - | 70 | - | |
| Provisions 10,403 (10,562) - 159 - | | | | - | | - | |
| Retirement benefits obligation 4,433 (2,755) (92) 36 1,622 | Retirement benefits obligation | 4,433 | | (92) | | 1,622 | |
| Loss carry forward 45,049 (46,802) - 1,753 - | 5 | | | - | | | |
| Total 64,499 (64,803) (92) 2,018 1,622 | Total | 64,499 | (64,803) | (92) | 2,018 | 1,622 | |

| | | Sepa | arate financia | ll statements | | | |
|--------------------------------|-------------------------------|-----------|---------------------|------------------|---------------|--|--|
| | | | narged) / Cre | | | | |
| | At 1 | | 0 | Other | At 31 | | |
| | January | | C | comprehensive | December | | |
| | 2021 | Profit | or loss | income | 2021 | | |
| | 2021 | | n thousand U | | | | |
| Deferred tax assets | | () | <u>r thousand c</u> | | | | |
| Retirement benefits obligation | 54 | 1 | (1) | 4 | 57 | | |
| Total | 54 | | (1) | 4 - | 57 | | |
| Total | | · | <u> </u> | | 57 | | |
| | | Sepa | arate financia | l statements | | | |
| | | | harged) / Cr | | | | |
| | At 1 | | Other | | At 31 | | |
| | January | Profit or | comprehen | sive Translatior | | | |
| | 2021 | loss | income | | s 2021 | | |
| | | | (in thousand | , | | | |
| Deferred tax assets | | | | | | | |
| Retirement benefits obligation | 1,622 | 149 | 1 | 133 1 | 1,905 | | |
| Total | 1,622 | 149 | 1 | 133 1 | | | |
| | | | | | , | | |
| | | | arate financia | | | | |
| | | (CI | narged) / Cre | | | | |
| | At 1 | | | Other | At 31 | | |
| | January | | C | comprehensive | December | | |
| | 2020 | | or loss | income | 2020 | | |
| | | (ii | n thousand U | IS Dollar) | | | |
| Deferred tax assets | | | | | | | |
| Retirement benefits obligation | 48 | | 6 | | 54 | | |
| Total | 48 | 3 | 6 | - | 54 | | |
| | Separate financial statements | | | | | | |
| | (Charged) / Credited to : | | | | | | |
| | At 1 | | Other | | At 31 | | |
| | January | Profit or | comprehen | sive Translatior | December | | |
| | 2020 | loss | income | adjustment | s 2020 | | |
| | | | (in thousand | l Baht) | | | |
| Deferred tax assets | | | | | | | |
| Retirement benefits obligation | 1,447 | 184 | | . (9) | | | |
| Total | 1,447 | 184 | | (9) | 1,622 | | |

Deferred tax assets have not been recognised in respect of the following items:

| | | Consolidated fina | ncial statements | |
|--------------------------------------|-------------|-------------------|------------------|-----------|
| — | 2021 | 2020 | 2021 | 2020 |
| | (in thousar | nd US Dollar) | (in thousa | and Baht) |
| Tax losses | 15,113 | 21,815 | 483,270 | 682,670 |
| Impairment losses on property, plant | | | | |
| and equipment and related supplies | | | | |
| and spare parts | 4,645 | 7,840 | 148,534 | 245,342 |
| Allowance for expected credit loss | 6,351 | 6,293 | 203,087 | 196,931 |
| Impairment losses on goodwill | 2,027 | 2,027 | 64,818 | 63,432 |
| Retirement benefits obligation | 316 | 347 | 10,105 | 10,859 |
| Total | 28,452 | 38,322 | 909,814 | 1,199,234 |

| | | Separate finance | cial statements | |
|-------------------------------------|--------------|------------------|-----------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousand | d US Dollar) | (in thous | and Baht) |
| Impairment losses on investments in | | | | |
| subsidiaries | 22,439 | 22,439 | 717,534 | 702,197 |
| Allowance for expected credit loss | 11,809 | 12,914 | 377,618 | 404,126 |
| Tax losses | 2,662 | 3,021 | 85,123 | 94,538 |
| Total | 36,910 | 38,374 | 1,180,275 | 1,200,861 |

The majority tax losses will expire from 2022-2025 The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

20 Earnings per share

| | | Consolidated fir | ancial statements | | |
|---|-------------|------------------|-------------------|-------------|--|
| | 2021 | 2020 | 2021 | 2020 | |
| | (in thousan | d US Dollar/ | (in thous | and Baht/ | |
| | thousan | d shares) | thousand shares) | | |
| Loss attributable to ordinary shareholders of the Company (basic) | (15,724) | (109,654) | (503,533) | (3,436,176) | |
| | | <u>.</u> | | i | |
| Number of ordinary shares outstanding (basic) | 1,413,329 | 1,413,329 | 1,413,329 | 1,413,329 | |
| | (in U | S dollar) | (in Baht) | | |
| Losses per share (basic) | (0.0111) | (0.0776) | (0.3563) | (2.4313) | |

| | | Separate finar | cial statements | | |
|---|--------------|----------------|--------------------|-------------|--|
| | 2021 | 2020 | 2021 | 2020 | |
| | (in thousand | d US Dollar/ | (in thousand Baht/ | | |
| | thousan | d shares) | thousan | d shares) | |
| Loss attributable to ordinary shareholders of the Company (basic) | (27,937) | (202,865) | (908,328) | (6,276,890) | |
| Number of ordinary shares outstanding (basic) | 1,413,329 | 1,413,329 | 1,413,329 | 1,413,329 | |
| | (in US | 6 dollar) | (in | Baht) | |
| Losses per share (basic) | (0.0198) | (0.1435) | (0.6427) | (4.4412) | |

21 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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| <i>At 31 December 2021</i> <i>Financial assets</i> Equity securities held for trading Investment in mutual fund | Financial instruments measured at FVTPL 100 95,949 | Carrying amount Financial instruments measured at amortised cost | Total 100 95,949 | ll Level 1 Le <i>(in thousand Baht)</i> 100 - 1 | Fair value Level 2 100 95,949 | Level 3 | Total 100 95,949 |
|--|---|--|----------------------------------|---|--|---------|------------------------|
| lotal other financial assets <i>Financial liabilities</i> Long-term borrowings Total other financial liabilities | 96,049 | - 1,560,508 1,560,508 | 96,049 1,560,508 1,560,508 | ı | 1,533,873 | , | 1,533,873 |
| <i>At 31 December 2020</i> <i>Financial assets</i> Equity securities held for trading Total other financial assets | 291,780 291,780 | | 291,780 291,780 | ı | 291,780 | · | 291,780 |
| <i>Financial liabilities</i> Long-term borrowings Total other financial liabilities | . . | 1,724,520 1,724,520 | 1,724,520 1,724,520 | | 1,824,574 | ı | 1,824,574 |

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Financial instruments measured at fair value

Type Equity securities held for trading

Investments in mutual fund

Valuation technique

The net asset value as of the reporting date. The net asset value as of the reporting date.

Financial instruments not measured at fair value

Туре

Debt securities and other financial liabilities

Valuation technique

Discounted cash flows.

Movement of marketable equity and debt securities

| | | Consolidated finar | icial statements | al statements | | |
|------------------------------------|-------------|--------------------|------------------|---------------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousan | d US Dollar) | (in thousa | nd Baht) | | |
| Equity securities held for trading | | | | | | |
| At 1 January | 9,714 | 8,207 | 291,780 | 247,474 | | |
| Purchase | 8,945 | 2,000 | 298,941 | 60,074 | | |
| Disposal | (18,790) | (2,000) | (627,960) | (60,074) | | |
| Transfer | - | 1,000 | - | 30,037 | | |
| Fair value adjustment | 134 | 507 | 4,318 | 16,401 | | |
| Translation adjustment | - | - | 33,021 | (2,132) | | |
| At 31 December | 3 | 9,714 | 100 | 291,780 | | |

| | Consolidated financial statements | | | | | |
|---------------------------|-----------------------------------|--------------|------------|-----------|--|--|
| | 2021 | 2020 | 2021 | 2020 | | |
| | (in thousan | d US Dollar) | (in thousa | and Baht) | | |
| Investment in mutual fund | | | | | | |
| At 1 January | - | - | - | - | | |
| Purchase | 3,000 | - | 100,260 | - | | |
| Fair value adjustment | (129) | - | (4,137) | - | | |
| Translation adjustment | - | - | (174) | - | | |
| At 31 December | 2,871 | - | 95,949 | - | | |

| | Consolidated financial statements | | | | |
|-------------------------------|-----------------------------------|--------------|------------|-----------|--|
| | 2021 | 2020 | 2021 | 2020 | |
| | (in thousan | d US Dollar) | (in thousa | and Baht) | |
| Other debt securities held to | | | | | |
| maturity | | | | | |
| At 1 January | - | 4,000 | - | 120,616 | |
| Disposal | - | (3,000) | - | (90,111) | |
| Transfer | - | (1,000) | - | (30,037) | |
| Translation adjustment | - | - | - | (468) | |
| At 31 December | - | - | - | - | |
| | | | | | |



(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables and contract assets are disclosed in note 7.

(b.1.2) Other accounts receivable, short-term loans to related parties, long-term loans and other non-current receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each related party. However, management also considers the factors that may influence the credit risk, including the default risk associated with the industry and country in which they operate. The Group's policy is to provide other accounts receivable and short-term loans only if the related party was judged by management to have low credit risk at initial recognition. Impairment on other accounts receivable and short-term loans have been measured on the 12-month expected loss basis or the lifetime expected loss basis if the Group becomes aware of a significant increase in the related party's credit risk at the reporting date.

The following table presents the exposure to credit risk for other accounts receivable, shortterm loans, long-term loans and other non-current receivable at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

| | Consolidated financial statements | | | | |
|-----------------------------------|-----------------------------------|---------------|------------|----------|--|
| | | | Lifetime | | |
| | | Lifetime ECL- | ECL- | | |
| | 12-months | not credit- | credit- | | |
| | ECL | impaired | impaired | Total | |
| | | (in thousar | nd Dollar) | | |
| At 31 December 2021 | | | | | |
| Other accounts receivable | 21,817 | 65 | 7,542 | 29,424 | |
| Short-term loans to related party | - | - | 18,350 | 18,350 | |
| Long-term loans | 1,082 | - | 498 | 1,580 | |
| - | 22,899 | 65 | 26,390 | 49,354 | |
| Less allowance for expected | | | | | |
| credit loss | - | - | (26,390) | (26,390) | |
| Net | 22,899 | 65 | - | 22,964 | |

| | Consolidated financial statements | | | | |
|-----------------------------------|-----------------------------------|---------------|------------|----------|--|
| - | | | Lifetime | | |
| | | Lifetime ECL- | ECL- | | |
| | 12-months | not credit- | credit- | | |
| | ECL | impaired | impaired | Total | |
| | | (in thousar | nd Dollar) | | |
| At 31 December 2020 | | | | | |
| Other accounts receivable | 5,032 | 110 | 7,542 | 12,684 | |
| Short-term loans to related party | - | - | 18,350 | 18,350 | |
| Long-term loans | - | - | 498 | 498 | |
| - | 5,032 | 110 | 26,390 | 31,532 | |
| Less allowance for expected | | | | | |
| credit loss | - | - | (26,390) | (26,390) | |
| Net | 5,032 | 110 | - | 5,142 | |

| Lifetime ECL- Lifetime ECL- Lifetime Tech- At 31 December 2021 729,123 2,172 252,053 983,348 Short-term loans - - 613,255 613,255 Less allowance for expected credit loss - - 613,255 613,255 Net 755,283 2,172 881,951 1,649,406 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Consolidated financial statements - - 767,455 Lifetime ECL- Lifetime ECL- Lifetime ECL- - 12-months ECL impaired credit- - 12-months ECL Lifetime ECL- Lifetime 12-months 12-months - - - 12-months ECL Lifetime ECL- Lifetime - 12-months ECL impaired - - - At 31 December 2020 151,147 3,305 | | Consolidated financial statements | | | | |
|--|-----------------------------|-----------------------------------|------------------|-------------------|-----------|--|
| ECL impaired (in thousand Baht) Total At 31 December 2021 Other accounts receivable Short-term loans 729,123 - 2,172 - 252,053 - 983,348 - Short-term loans - - 613,255 - 52,803 - 1,649,406 Less allowance for expected credit loss - - 16,643 - 52,803 - 1,649,406 Net 765,283 2,172 - 767,455 - Net 765,283 2,172 - 767,455 Consolidated financial statements ECL Lifetime ECL- impaired credit-impaired (in thousand Baht) Total At 31 December 2020 151,147 3,305 226,540 - 380,992 Other accounts receivable Short-term loans 151,147 3,305 792,679 947,131 Less allowance for expected credit loss - - (792,679) (792,679) Net 151,147 3,305 - 154,452 Lifetime ECL credit impaired - - (792,679) 154,452 Less allowance for expected credit loss - - - | | | Lifetime ECL- | Lifetime | | |
| At 31 December 2021 (in thousand Baht) Other accounts receivable Short-term loans 729,123 2,172 252,053 983,348 Short-term loans 36,160 - 16,643 52,803 Less allowance for expected credit loss - - 613,255 16,649,406 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Consolidated financial statements (in thousand Baht) (881,951) Net 765,283 2,172 - 767,455 Consolidated financial statements (in thousand Baht) (in thousand Baht) 1014 At 31 December 2020 151,147 3,305 226,540 380,992 Short-term loans - - 551,181 551,181 Long-term loans - - 551,181 551,181 Long-term loans - - 792,679 947,131 Less allowance for expected credit loss - - (792,679) 792,679 | | 12-months | not credit- | ECL- | | |
| At 31 December 2021 729,123 2,172 252,053 983,348 Short-term loans - - 613,255 613,255 Less allowance for expected credit loss - - 16,643 52,803 Net 765,283 2,172 881,951 1,664,406 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Lifetime ECL- Lifetime for expected (in thousand Baht) - 767,455 At 31 December 2020 0ther accounts receivable 151,147 3,305 226,540 380,992 Short-term loans - - 14,958 14,958 14,958 Long-term loans - - 14,958 14,958 14,958 Less allowance for expected credit loss - - 14,958 14,958 14,958 Less allowance for expected credit loss - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 154,452 Movement of allowance for expected indit loss - | | ECL | impaired | credit-impaired | Total | |
| Other accounts receivable Short-term loans 729,123 2,172 252,053 983,348 Short-term loans - - 613,255 613,255 613,255 Long-term loans 36,160 - 16,643 52,803 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Consolidated financial statements - - (881,951) Net 12-months ECL 12-months ECL - Lifetime not credit- Total 12-months - - 14,958 14,958 Short-term loans - - 14,958 14,958 Long-term loans - - 14,958 14,958 Short-term loans - - 14,958 14,958 Less allowance for expected credit loss - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 154,452 Movement of allowance for expected credi | | | • | | | |
| Short-term loans - - 613,255 613,255 52,803 Long-term loans 36,160 - 16,643 52,803 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Net 765,283 2,172 - 767,455 Lifetime ECL- Lifetime ECL- Lifetime ECL- impaired redit-impaired At 31 December 2020 151,147 3,305 226,540 380,992 Short-term loans - - 14,958 14,958 Long-term loans - - 14,958 14,958 Sold to base - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 154,452 Movement of allowance for expected credit los | At 31 December 2021 | | | | | |
| Short-term loans - - 613,255 613,255 52,803 Long-term loans 36,160 - 16,643 52,803 Less allowance for expected credit loss - - (881,951) (881,951) Net 765,283 2,172 - 767,455 Net 765,283 2,172 - 767,455 Lifetime ECL- Lifetime ECL- Lifetime ECL- impaired redit-impaired At 31 December 2020 151,147 3,305 226,540 380,992 Short-term loans - - 14,958 14,958 Long-term loans - - 14,958 14,958 Sold to base - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) 151,452 Movement of allowance for expected credit loss - - (792,679) 154,452 Lifetime ECL credit inpaired - - - 154,452 Movement of allowance for expected credit loss | Other accounts receivable | 729,123 | 2,172 | 252,053 | 983,348 | |
| Long-term loans 36,160 765,283 - 2,172 16,643 881,951 52,803 1,649,406 Less allowance for expected credit loss - . . </td <td>Short-term loans</td> <td>-</td> <td>-</td> <td></td> <td></td> | Short-term loans | - | - | | | |
| Less allowance for expected credit loss 765,283 2,172 881,951 1,649,406 Net 765,283 2,172 - (881,951) (881,951) Net 765,283 2,172 - 767,455 Consolidated financial statements - 767,455 Lifetime ECL- Lifetime ECL- - 12-months ECL in thousand Baht) Total At 31 December 2020 151,147 3,305 226,540 380,992 Short-term loans - - 14,958 14,958 Less allowance for expected credit loss - - 14,958 14,958 Net 151,147 3,305 792,679 947,131 Less allowance for expected credit loss - - (792,679) 154,452 Movement of allowance for expected is credit loss - - (792,679) 154,452 Lifetime ECL credit iss Other account receivable Short-term Long-term loans (in thousand Dollar) Total (in thousand Dollar) Lifetime ECL credit iss 2,400 12,97 | | 36.160 | - | | | |
| Less allowance for expected credit loss(881,951)(881,951)Net765,2832,172-767,455Consolidated financial statementsLifetime ECLLifetime ECLLifetime impairedTotalAt 31 December 20200ther accounts receivable151,1473,305226,540380,992Short-term loans551,181551,181Long-term loans14,95814,958Less allowance for expected credit loss(792,679)947,131Less allowance for expected credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loans loans loans loansTotalLifetime ECL credit impaired0ther account receivableShort-term loans loans loansTotalLifetime ECL credit impaired498498At 1 January 20205,40012,979-18,379Net remeasurement of loss allowance498498At 31 December 2020 and at 1 January 2021498498 | 6 | | 2.172 | | | |
| credit loss | Less allowance for expected | , | _, | , | _, , | |
| Net765,2832,172-767,455Consolidated financial statementsLifetime ECL-Lifetime ECL-Lifetime12-monthsnot credit-ECL-impairedcredit-impairedTotalAt 31 December 2020151,1473,305226,540Other accounts receivable151,1473,305226,540Short-term loans551,181Long-term loans14,958151,1473,305792,679947,131Less allowance for expected credit loss(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impairedOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impaired5,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | • | - | - | (881,951) | (881,951) | |
| Consolidated financial statementsLifetime ECL-Lifetime ECL-12-monthsnot credit-ECLimpairedCredit-impaired12-monthsnot credit-ECLimpairedAt 31 December 2020151,147Other accounts receivable151,147Short-term loans14,958151,1473,30526,540380,992Short-term loans14,958151,1473,305792,679947,131Less allowance for expected credit loss(in thousand billar)Net151,1473305-151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,1473,305151,147161,147151,147 <td></td> <td>765.283</td> <td>2.172</td> <td>-</td> <td></td> | | 765.283 | 2.172 | - | | |
| At 31 December 2020Lifetime ECL- impaired (in thousand Baht)Lifetime ECL- impaired (in thousand Baht)At 31 December 2020151,1473,305226,540380,992Other accounts receivable Short-term loans151,1473,305226,540380,992Short-term loans14,95814,958Less allowance for expected credit loss14,95814,958Movement of allowance for expected credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impaired2005,40012,979-18,379Lifetime ECL credit impaired5,40012,979-18,379New financial assets acquired2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | | ,, | _,_/_ | | , | |
| 12-months ECLnot credit- impaired credit-impaired (in thousand Baht)Total Total (in thousand Baht)At 31 December 2020151,1473,305226,540380,992Other accounts receivable Short-term loans151,1473,305226,540380,992Short-term loans14,95814,958Long-term loans14,95814,958Less allowance for expected credit loss(792,679)947,131Less allowance for expected credit loss151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalMovement of allowance for expected credit loss012,979-18,379Lifetime ECL credit impaired5,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | | | Consolidated fin | ancial statements | | |
| ECLimpaired (in thousand Baht)Total (in thousand Baht)At 31 December 2020151,1473,305226,540380,992Other accounts receivable151,1473,305226,540380,992Short-term loans551,181551,181Long-term loans14,95814,958Less allowance for expected credit loss(792,679)947,131Less allowance for expected credit loss(792,679)947,131Less allowance for expected credit loss(792,679)154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impairedOther account sallowanceShort-term loansLong-term loansTotalLifetime ECL credit impaired5,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | | | Lifetime ECL- | Lifetime | | |
| (in thousand Baht)At 31 December 2020Other accounts receivable151,1473,305226,540380,992Short-term loans551,181551,181Long-term loans14,95814,958151,1473,305792,679947,131Less allowance for expected credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit loss(In thousand Dollar)Lifetime ECL credit impairedOther account receivableShort-term loansLong-term loansAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | | 12-months | not credit- | ECL- | | |
| At 31 December 2020 Other accounts receivable 151,147 3,305 226,540 380,992 Short-term loans - - 551,181 551,181 Long-term loans - - 14,958 14,958 Less allowance for expected credit loss - - (792,679) 947,131 Less allowance for expected credit loss - - (792,679) (792,679) Net 151,147 3,305 - 154,452 Movement of allowance for expected credit loss - - (792,679) Net 151,147 3,305 - 154,452 Movement of allowance for expected credit loss Other account receivable Short-term Long-term loans Total Lifetime ECL credit impaired Other account receivable Short-term Long-term loans Total At 1 January 2020 5,400 12,979 - 18,379 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | ECL | impaired | credit-impaired | Total | |
| Other accounts receivable $151,147$ $3,305$ $226,540$ $380,992$ Short-term loans - - $551,181$ $551,181$ Long-term loans - - $14,958$ $14,958$ Ising term loans - - $14,958$ $14,958$ Less allowance for expected credit loss - - $(792,679)$ $(792,679)$ Net ISI,147 $3,305$ - ISI,452 Movement of allowance for expected credit loss - - $(792,679)$ $(792,679)$ Net ISI,147 $3,305$ - ISI,452 Movement of allowance for expected credit loss Other account receivable Short-term Long-term loans Ioans Ioans Lifetime ECL credit impaired - - 18,379 - At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 < | | | (in thous | and Baht) | | |
| Short-term loans - - 551,181 551,181 Long-term loans - - 14,958 14,958 Less allowance for expected credit loss - - 14,958 14,958 Net 151,147 3,305 792,679 947,131 Less allowance for expected credit loss - - (792,679) (792,679) Net 151,147 3,305 - 154,452 Movement of allowance for expected credit loss Other account receivable Short-term loans Long-term Lifetime ECL credit impaired Other account receivable Short-term loans Total At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | At 31 December 2020 | | | | | |
| Long-term loans14,95814,958Less allowance for expected credit loss(792,679)947,131Less allowance for expected credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impairedOther account s allowanceShort-term loansTotalTotalLifetime ECL credit impaired5,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | Other accounts receivable | 151,147 | 3,305 | 226,540 | 380,992 | |
| Long-term loans - - 14,958 14,958 Less allowance for expected credit loss - - 792,679 947,131 Less allowance for expected credit loss - - (792,679) (792,679) Net 151,147 3,305 - 154,452 Movement of allowance for expected credit loss Other account receivable Short-term loans Long-term loans Total Lifetime ECL credit impaired Other account of loss allowance 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | Short-term loans | - | - | 551,181 | 551,181 | |
| Less allowance for expected credit loss151,1473,305792,679947,131Net(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansLifetime ECL credit impairedOther account statement of loss allowance5,40012,979-At 1 January 20205,40012,979-18,379Net remeasurement of loss acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | Long-term loans | - | - | 14,958 | | |
| Less allowance for expected credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansLifetime ECL credit impairedOther account receivableShort-term loansLong-term loansAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | C | 151,147 | 3,305 | | | |
| credit loss(792,679)(792,679)Net151,1473,305-154,452Movement of allowance for expected credit lossConsolidated financial statementsCong-term loansLong-term loansTotalLifetime ECL credit impairedOther account receivableShort-term loansLong-term loansTotalAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | Less allowance for expected | | | | | |
| Net151,1473,305-154,452Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impairedOther account receivableShort-term loansLong-term loansTotalLifetime ECL credit impairedStateStateTotalLifetime ECL credit impairedStateStateStateAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | - | - | - | (792,679) | (792,679) | |
| Consolidated financial statementsMovement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansLifetime ECL credit impairedShort-term loansLong-term loansTotalLifetime ECL credit impairedShort-term loansLong-term loansTotalAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | Net | 151,147 | 3,305 | | | |
| Movement of allowance for expected credit lossOther account receivableShort-term loansLong-term loansLifetime ECL credit impairedIterationIterationTotalAt 1 January 20205,40012,979-18,379Net remeasurement of loss allowance2,1425,371-7,513New financial assets acquired498498At 31 December 2020 and at 1 January 20217,54218,35049826,390 | | | · · · | | <u> </u> | |
| expected credit lossreceivableloansloansTotalLifetime ECL credit impairedImpairedImpairedImpairedImpairedAt 1 January 20205,40012,979ImpairedImpairedAt 1 January 20205,40012,979ImpairedImpairedNet remeasurement of loss allowance2,1425,371ImpairedImpairedNew financial assets acquiredImpairedImpairedImpairedImpairedAt 31 December 2020 and at 1 January 20217,54218,35049826,390 | | | Consolidated fin | ancial statements | | |
| Lifetime ECL credit impaired At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | Movement of allowance for | Other account | Short-term | Long-term | | |
| Lifetime ECL credit impaired - 12,979 - 18,379 At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | expected credit loss | receivable | loans | loans | Total | |
| impaired At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | | (in thousa | and Dollar) | | |
| At 1 January 2020 5,400 12,979 - 18,379 Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | | | | | |
| Net remeasurement of loss allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | - | F 400 | 10.070 | | 10.270 | |
| allowance 2,142 5,371 - 7,513 New financial assets acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | - | 5,400 | 12,979 | - | 18,379 | |
| New financial assets acquired - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | 2.4.42 | F 074 | | 40 | |
| acquired - - 498 498 At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | 2,142 | 5,3/1 | - | /,513 | |
| At 31 December 2020 and at 1 January 2021 7,542 18,350 498 26,390 | | | | | | |
| at 1 January 2021 7,542 18,350 498 26,390 | | - | - | 498 | 498 | |
| | | | | | | |
| At 31 December 2021 7,542 18,350 498 26,390 | - | | | | | |
| | At 31 December 2021 | 7,542 | 18,350 | 498 | 26,390 | |

| | | Consolidated fina | ncial statements | |
|------------------------------|---------------|-------------------|------------------|----------|
| Movement of allowance for | Other account | Short-term | Long-term | |
| expected credit loss | receivable | loans | loans | Total |
| | | (in thousa | and Baht) | |
| Lifetime ECL credit | | | | |
| impaired | | | | |
| At 1 January 2020 | 162,831 | 391,369 | - | 554,200 |
| Net remeasurement of loss | | | | |
| allowance | 67,102 | 168,256 | - | 235,358 |
| New financial asset acquired | - | - | 15,245 | 15,245 |
| Translation adjustment | (3,393) | (8,444) | (287) | (12,124) |
| At 31 December 2020 and | | | | |
| at 1 January 2021 | 226,540 | 551,181 | 14,958 | 792,679 |
| Translation adjustment | 25,513 | 62,074 | 1,685 | 89,272 |
| At 31 December 2021 | 252,053 | 613,255 | 16,643 | 881,951 |

| | Separate financial statements | | | | |
|------------------------------|-------------------------------|---------------|-----------------|----------|--|
| | | Lifetime ECL- | Lifetime | | |
| | 12-months | not credit- | ECL- | | |
| | ECL | impaired | credit-impaired | Total | |
| | | (in thousa | and Dollar) | | |
| At 31 December 2021 | | | | | |
| Other accounts receivable | 240 | 5,151 | 3,979 | 9,370 | |
| Short-term loans | - | - | 6,127 | 6,127 | |
| Other non-current receivable | - | - | 42,747 | 42,747 | |
| Long-term loan | - | - | 55,361 | 55,361 | |
| | 240 | 5,151 | 108,214 | 113,605 | |
| Less allowance for expected | | | | | |
| credit loss | - | - | (59,045) | (59,045) | |
| Net | 240 | 5,151 | 49,169 | 54,560 | |

| | Separate financial statements | | | |
|------------------------------|-------------------------------|------------------------------|------------------|----------|
| | 12-months | Lifetime ECL- not credit- | Lifetime ECL- | |
| | ECL | impaired | credit-impaired | Total |
| _ | | (in thousa | and Dollar) | |
| At 31 December 2020 | | | | |
| Other accounts receivable | 220 | 235 | 2,809 | 3,264 |
| Short-term loans | - | - | 7,127 | 7,127 |
| Other non-current receivable | - | - | 50,304 | 50,304 |
| Long-term loan | - | - | 60,391 | 60,391 |
| | 220 | 235 | 120,631 | 121,086 |
| Less allowance for expected | | | | |
| credit loss | - | - | (64,568) | (64,568) |
| Net | 220 | 235 | 56,063 | 56,518 |

| | Separate financial statements | | | | |
|------------------------------|-------------------------------|---------------|-----------------|-------------|--|
| | | Lifetime ECL- | Lifetime | | |
| | 12-months | not credit- | ECL- | | |
| | ECL | impaired | credit-impaired | Total | |
| _ | | (in thousa | and Baht) | | |
| At 31 December 2021 | | | | | |
| Other accounts receivable | 8,021 | 172,146 | 132,979 | 313,146 | |
| Short-term loans | - | - | 204,764 | 204,764 | |
| Other non-current receivable | - | - | 1,428,600 | 1,428,600 | |
| Long-term loan | - | - | 1,850,159 | 1,850,159 | |
| - | 8,021 | 172,146 | 3,616,502 | 3,796,669 | |
| Less allowance for expected | | | | | |
| credit loss | - | - | (1,973,278) | (1,973,278) | |
| Net | 8,021 | 172,146 | 1,643,224 | 1,823,391 | |

| | Separate financial statements | | | | |
|------------------------------|-------------------------------|---------------|-----------------|-------------|--|
| | | Lifetime ECL- | Lifetime | | |
| | 12-months | not credit- | ECL- | | |
| | ECL | impaired | credit-impaired | Total | |
| | | (in thous | and Baht) | | |
| At 31 December 2020 | | | | | |
| Other accounts receivable | 6,608 | 7,059 | 84,374 | 98,041 | |
| Short-term loans | - | - | 214,074 | 214,074 | |
| Other non-current receivable | - | - | 1,510,987 | 1,510,987 | |
| Long-term loan | - | - | 1,813,970 | 1,813,970 | |
| - | 6,608 | 7,059 | 3,623,405 | 3,637,072 | |
| Less allowance for expected | | | | | |
| credit loss | - | - | (1,939,435) | (1,939,435) | |
| Net | 6,608 | 7,059 | 1,683,970 | 1,697,637 | |

| | Separate financial statements | | | | |
|--------------------------|-------------------------------|------------|----------------|-----------|---------|
| | Other | | Other non- | | |
| Movement of allowance | account | Short-term | current | Long-term | |
| for expected credit loss | receivable | loans | receivable | loans | Total |
| | | (in | thousand Dolla | ar) | |
| Lifetime ECL credit | | | | | |
| impaired | | | | | |
| At 1 January 2020 | 32,215 | 25,713 | - | - | 57,928 |
| Net remeasurement of | | | | | |
| loss allowance | 1,127 | 5,315 | - | - | 6,442 |
| Unrealised losses on | | | | | |
| exchange | 6,379 | 93 | - | - | 6,472 |
| Reclassification | (30,638) | (23,994) | 30,638 | 23,994 | - |
| Write off | (6,274) | - | - | - | (6,274) |
| At 31 December 2020 and | | | | | |
| at 1 January 2021 | 2,809 | 7,127 | 30,638 | 23,994 | 64,568 |
| Unrealised losses on | | | | | |
| exchange | - | - | (3,094) | (1,429) | (4,523) |
| Write off | - | (1,000) | - | - | (1,000) |
| At 31 December 2021 | 2,809 | 6,127 | 27,544 | 22,565 | 59,045 |

| | Separate financial statements | | | | |
|---------------------------------|-------------------------------|------------|----------------|-----------|-----------|
| - | Other | | Other non- | | |
| Movement of allowance | account | Short-term | current | Long-term | |
| for expected credit loss | receivable | loans | receivable | loans | Total |
| - | | (ir | n thousand Bah | t) | |
| Lifetime ECL credit impaired | | | | | |
| At 1 January 2020 | 971,411 | 775,350 | - | - | 1,746,761 |
| Net remeasurement of | | | | | |
| loss allowance | 34,502 | 162,717 | - | - | 197,219 |
| Unrealised losses on | | | | | |
| exchange | 191,607 | 2,793 | - | - | 194,400 |
| Reclassification | (920,277) | (720,710) | 920,277 | 720,710 | - |
| Write-off | (196,544) | - | - | - | (196,544) |
| Translation adjustment | 3,675 | (6,076) | - | - | (2,401) |
| At 31 December 2020 and | | | | | |
| at 1 January 2021 | 84,374 | 214,074 | 920,277 | 720,710 | 1,939,435 |
| Unrealised losses on | | | | | |
| exchange | - | - | (97,260) | (46,100) | (143,360) |
| Write off | - | (30,257) | - | - | (30,257) |
| Translation adjustment | 9,502 | 20,947 | 97,501 | 79,510 | 207,460 |
| At 31 December 2021 | 93,876 | 204,764 | 920,518 | 754,120 | 1,973,278 |

(b.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited which the Group considers to have low credit risk.

(b.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2021, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

| | Consolidated financial statements | | | |
|---|--|---|---|---|
| | | Con | tractual cash flo | WS |
| | | | More than | |
| | | | 1 years but | |
| | Carrying | 1 year | less than 5 | |
| At 31 December | amount | or less | years | Total |
| | | (in thousa | nd Dollar) | |
| 2021 | | | | |
| Non-derivative financial liabilities | | | | |
| Trade and other accounts payable | 42,763 | 42,763 | - | 42,763 |
| Borrowings from parent company | 5,000 | 3,000 | 2,000 | 5,000 |
| Borrowings from financial institution | 46,694 | 14,209 | 32,485 | 46,694 |
| Lease liabilities | 201 | 123 | 78 | 201 |
| | 94,658 | 60,095 | 34,563 | 94,658 |
| | | | | |
| 2020 Non designative financial liabilities | | | | |
| Non-derivative financial liabilities | 22,443 | 22 112 | _ | 22,443 |
| Trade and other accounts payable | 22,443 57,413 | 22,443 13,544 | 43,869 | |
| Borrowings from financial institution Lease liabilities | 428 | 206 | 43,809 | 57,413 428 |
| Lease habilities | 80,284 | <u> </u> | 44,091 | 80,284 |
| | 00,204 | | 44,091 | 00,204 |
| | | | | |
| | C | onsolidated fina | ncial statements | |
| | C | | tractual cash flo | |
| | C | | tractual cash flo More than | |
| | | Con | tractual cash flo More than 1 years but | |
| | C | Con 1 year | tractual cash flo More than | WS |
| At 31 December | | Con 1 year or less | tractual cash flo More than 1 years but less than 5 years | |
| | Carrying | Con 1 year | tractual cash flo More than 1 years but less than 5 years | WS |
| 2021 | Carrying | Con 1 year or less | tractual cash flo More than 1 years but less than 5 years | WS |
| 2021 Non-derivative financial liabilities | Carrying amount | Con 1 year or less <i>(in thousa</i> | tractual cash flo More than 1 years but less than 5 years | ws Total |
| <i>2021</i> <i>Non-derivative financial liabilities</i> Trade and other accounts payable | Carrying amount 1,429,134 | Con 1 year or less <i>(in thousa</i> 1,429,134 | tractual cash flo More than 1 years but less than 5 years and Baht) - | ws Total 1,429,134 |
| <i>2021</i> <i>Non-derivative financial liabilities</i> Trade and other accounts payable Borrowings from parent company | Carrying amount 1,429,134 167,100 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 | ws Total 1,429,134 167,100 |
| <i>2021</i> <i>Non-derivative financial liabilities</i> Trade and other accounts payable Borrowings from parent company Borrowings from financial institution | Carrying amount 1,429,134 167,100 1,560,508 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 | ws Total 1,429,134 167,100 1,560,508 |
| <i>2021</i> <i>Non-derivative financial liabilities</i> Trade and other accounts payable Borrowings from parent company | Carrying amount 1,429,134 167,100 1,560,508 6,718 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 | ws Total 1,429,134 167,100 1,560,508 6,718 |
| <i>2021</i> <i>Non-derivative financial liabilities</i> Trade and other accounts payable Borrowings from parent company Borrowings from financial institution | Carrying amount 1,429,134 167,100 1,560,508 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 | ws Total 1,429,134 167,100 1,560,508 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities | Carrying amount 1,429,134 167,100 1,560,508 6,718 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 | ws Total 1,429,134 167,100 1,560,508 6,718 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities | Carrying amount 1,429,134 167,100 1,560,508 6,718 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 | ws Total 1,429,134 167,100 1,560,508 6,718 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities | Carrying amount 1,429,134 167,100 1,560,508 6,718 3,163,460 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 2,008,368 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 | ws Total 1,429,134 167,100 1,560,508 6,718 3,163,460 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities 2020 Non-derivative financial liabilities Trade and other accounts payable | Carrying amount 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 2,008,368 674,123 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 1,155,092 | ws Total 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities 2020 Non-derivative financial liabilities Trade and other accounts payable Borrowings from financial institution | Carrying amount 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 1,724,520 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 2,008,368 674,123 406,822 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 1,155,092 - 1,317,698 | ws Total 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 1,724,520 |
| 2021 Non-derivative financial liabilities Trade and other accounts payable Borrowings from parent company Borrowings from financial institution Lease liabilities 2020 Non-derivative financial liabilities Trade and other accounts payable | Carrying amount 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 | Con 1 year or less <i>(in thousa</i> 1,429,134 100,260 474,863 4,111 2,008,368 674,123 | tractual cash flo More than 1 years but less than 5 years and Baht) - 66,840 1,085,645 2,607 1,155,092 | ws Total 1,429,134 167,100 1,560,508 6,718 3,163,460 674,123 |

| | Separate financial statements | | | |
|--|-------------------------------|----------------|---------------------|---------|
| | | | tractual cash flow | WS |
| | | | More than | |
| | | | 1 years but | |
| | Carrying | 1 year | less than 5 | |
| At 31 December | amount | or less | years | Total |
| 2024 | | (in thousa | nd Dollar) | |
| 2021 Non-derivative financial liabilities | | | | |
| Other accounts payable | 714 | 714 | _ | 714 |
| Borrowings from parent company | 5,000 | 3,000 | 2,000 | 5,000 |
| Lease liabilities | 200 | 122 | 78 | 200 |
| | 5,914 | 3,836 | 2,078 | 5,914 |
| | | 3,000 | | 3,321 |
| 2020 | | | | |
| Non-derivative financial liabilities | | | | |
| Other accounts payable | 710 | 710 | - | 710 |
| Lease liabilities | 425 | 204 | 221 | 425 |
| | 1,135 | 914 | 221 | 1,135 |
| | | Concrete finan | cial statements | |
| | | Separate finan | ntractual cash flow | |
| | | CO | More than | W5 |
| | | | 1 years but | |
| | Carrying | 1 year | less than 5 | |
| At 31 December | amount | or less | years | Total |
| | | (in thous | and Baht) | |
| 2021 | | | | |
| Non-derivative financial liabilities | | | | |
| Other accounts payable | 23,861 | 23,861 | - | 23,861 |
| Borrowings from parent company | 167,100 | 100,260 | 66,840 | 167,100 |
| Lease liabilities | 6,684 | 4,077 | 2,607 | 6,684 |
| | 197,645 | 128,198 | 69,447 | 197,645 |
| 20.20 | | | | |
| 2020 Non-derivative financial liabilities | | | | |
| Other accounts payable | 21,326 | 21,326 | - | 21,326 |
| Lease liabilities | 12,766 | 6,128 | 6,638 | 12,766 |
| | 34,092 | 27,454 | 6,638 | 34,092 |
| | , | | -, | , |

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

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

| | | olidated | Separate | | |
|------------------------------------|--|--------------|------------|------------|--|
| Exposure to foreign currency | financial statements financial stateme | | | statements | |
| at 31 December | 2021 | 2020 | 2021 | 2020 | |
| | | (in thousand | US Dollar) | | |
| Thai Baht | | | | | |
| Cash and cash equivalents | 369 | 457 | 180 | 90 | |
| Trade accounts receivable | 367 | 1 | - | - | |
| Receivables from related parties | - | - | 30 | 34 | |
| Long-term loans to related parties | - | - | 32,796 | 36,397 | |
| Trade accounts payable | (1,491) | (266) | - | - | |
| Other accounts payable | (1,339) | (610) | (462) | (438) | |
| Gross balance sheet exposure | (2,094) | (418) | 32,544 | 36,083 | |
| | | | | | |
| Singapore Dollar | | | | | |
| Cash and cash equivalents | 104 | 102 | - | - | |
| Trade accounts payable | (21) | (26) | - | - | |
| Other accounts payable | (71) | (59) | - | - | |
| Gross balance sheet exposure | 12 | 17 | - | - | |
| | | | | | |
| Qatari Rial | | | | | |
| Cash and cash equivalents | 148 | 275 | - | - | |
| Restricted cash equivalent | 186 | - | - | - | |
| Trade accounts payable | (22) | (37) | - | - | |
| Other accounts payable | (94) | (59) | - | - | |
| Gross balance sheet exposure | 218 | 179 | - | - | |

Sensitivity analysis

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

| | Consolidated financial statements | | | | | |
|---------------------|-----------------------------------|--|------------|----------------|-----------|--|
| | | Profit or | · loss | Profit or loss | | |
| At 31 December 2021 | Movement | Strengthening | Weakening | Strengthening | Weakening | |
| | (%) | (in thousand | US Dollar) | (in thousar | nd Baht) | |
| Thai Baht | 10 | (233) | 190 | (7,774) | 6,360 | |
| Singapore Dollar | 10 | 1 | (1) | 45 | (37) | |
| Qatari Rial | 10 | 24 | (20) | 812 | (664) | |
| | Separate financial statements | | | | | |
| | | Profit or | loss | Profit or | loss | |
| At 31 December 2021 | Movement | Strengthening | Weakening | Strengthening | Weakening | |
| | (%) | (in thousand US Dollar) (in thousand Baht) | | | nd Baht) | |
| Thai Baht | 10 | 3,616 | (2,958) | 120,841 | (98,870) | |

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates *(see note 13)* are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

22 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital.

23 Guarantees

As at 31 December 2021 and 2020, the Group and the Company had outstanding guarantees as follows:

| | Consolidated financial statements | | | | | | | |
|--|-----------------------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| | | 20. | 21 | | | 202 | 20 | |
| | thousand Baht | thousand USD | thousand SAR | thousand QAR | thousand Baht | thousand USD | thousand SAR | thousand QAR |
| Letters of guarantee issued by financial institutions in the normal course of business | 400 | 12,561 | - | 500 | 400 | 15,683 | 4,350 | |
| Guarantee for long- term borrowings of subsidiary to financial institution | - | 46,854 | - | - | - | 57,600 | - | - |
| | | | | Sepa | arate financ | ial stateme | ents | |
| | | | | 2021 | | | 2020 | |
| | | | thousan | d tho | usand | thousar | nd th | ousand |
| | | | Baht | ι | JSD | Baht | | USD |
| Letters of guarantee iss | sued by | | | | | | | |

| Letters of guarantee issued by financial institutions in the normal course of business | 400 | - | 400 | - |
|--|-----|--------|-----|--------|
| Guarantee for long-term loans of subsidiaries to financial institutions | - | 46,854 | - | 57,600 |

24 Other events

The Group, through its other indirect subsidiary Seascape Surveys Pte. Ltd. ("SSS"), is a party to or involved in a legal proceeding in Indonesia related to the shareholdings and management affairs of PT Seascape Surveys Indonesia ("PTSSI"). A tort lawsuit was filed in the South Jakarta District Court by Seascape Surveys alleging that Ms. Margaretta Retno Sundari and other co-defendants had engaged in unlawful acts related to the transfer of ownership of 368 (46%) shares in PTSSI. As a first step in the lawsuit, the court had directed the parties to attempt mediation and to consider mediation proposals.

25 Commitments with non-related parties

| | Consolidated financial statements | | | |
|-----------------------------|-----------------------------------|---------------|--------------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousar | nd US Dollar) | (in thousand Baht) | |
| Other commitments | | | | |
| Short-term lease commitment | 304 | 153 | 10,160 | 4,596 |
| Total | 304 | 153 | 10,160 | 4,596 |

26 Events after the reporting period

Disposal of intangible assets - Cryptocurrency

On 5 January 2022, Mermaid International Ventures ("MIV"), an indirect subsidiary, entered into BTC Cryptocurrency sale and purchase agreement with the agreed price of US Dollar 2.1 million.

Disposal of current investment - Investment in mutual fund

On 5 January 2022, Mermaid International Ventures ("MIV"), an indirect subsidiary, entered into Agnostic Fund shares sale and purchase agreement with the agreed price of US Dollar 2.9 million.

Increase in share capital of a joint venture

At the Extraordinary General Meeting of shareholders of KK Venture Co., Ltd. ("KKV"), held on 31 January 2022, the shareholders approved to increase the share capital of KKV by Baht 1.0 million through the issuance of 10,000 new ordinary shares with a par value of Baht 100 each which were registered on 10 February 2022 with Department of Business Development. The shares were fully paid up by the existing shareholders in proportion to their shareholdings.

New indirect subsidiary

On 23 February 2022, Mermaid Subsea Services (Thailand) Limited ("MSST"), a direct subsidiary, has fully invested into Mermaid Decom Co., Ltd. ("DCOM"), which incorporated in Thailand. As a result, DCOM became an indirect subsidiary of the Company. The main business of DCOM is to provide decommissioning services.





| Name of Company | Mermaid Maritime Public Company Limited | | |
|---|---|--|--|
| Place of Incorporation | Kingdom of Thailand | | |
| Registration No. | 0107550000017 | | |
| In Business Since | 1983 | | |
| Public Company Since | 15 January 2007 | | |
| Date of Listing | 16 October 2007 | | |
| Place of Listing | Singapore Stock Exchange | | |
| Company Secretary | Mr. Kanes Supyaboonrod | | |
| Corporate Head Office (Location of Register of Securities) | No. 26/28-29, Orakarn Building, 9th Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand | | |
| Telephone | +662 255 3115 (local dial 02 255 3115) +662 255 3116 (local dial 02 255 3116) | | |
| Facsimile | +662 255 1079 (local dial 02 255-1079) | | |
| Type of Business | Subsea Engineering Services, T&I and Decommissioning Services and Investments | | |
| Registered Capital | Baht 1,416,700,697 | | |
| Paid-up Capital | Baht 1,413,328,857 | | |
| No. of Issued Shares | 1,413,328,857 ordinary shares | | |
| Par Value/Share | Baht 1 | | |
| Corporate Website: | http://www.mermaid-group.com | | |
| Investor Relations E-mail: | ir@mermaid-group.com (as at 1 March 2022) | | |



Mermaid Maritime Public Company Limited

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