


MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Period Ended 30 June 2023
PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial three-month and six-month periods ended 30 June.

	Consolidated financial statements		
	Three-month period ended 30 June		Change %
	2023	2022	
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	62,027	54,912	13.0%
Interest income	39	-	100.0%
Net gain on foreign exchange	338	176	92.0%
Other income	374	300	24.7%
Total revenues	62,778	55,388	13.3%
Expenses			
Costs of rendering of services	53,262	49,023	8.6%
Administrative expenses	5,237	4,185	25.1%
Finance costs	1,332	519	156.6%
Total expenses	59,831	53,727	11.4%
Share of profit of joint venture and associate accounted for using equity method, net of tax	722	806	-10.4%
Profit before income tax expense	3,669	2,467	48.7%
Tax expense	424	9	4611.1%
Profit for the period	3,245	2,458	32.0%
Other comprehensive income:			
Total comprehensive income for the period	3,245	2,458	32.0%
Profit attributable to:			
Owners of parent	3,188	2,272	40.3%
Non-controlling interests	57	186	-69.4%
Profit for the period	3,245	2,458	32.0%
Total comprehensive income attributable to:			
Owners of parent	3,188	2,272	40.3%
Non-controlling interests	57	186	-69.4%
Total comprehensive income for the period	3,245	2,458	32.0%
	<i>(in US Dollar)</i>		
Basic earnings per share	0.0023	0.0016	40.3%
Notes to the income statements			
Depreciation and amortization	6,265	3,235	
Impairment losses determine in accordance with TFRS9	-	50	
Gain from revaluation of trading securities	-	(2)	
Loss (gain) on disposal of property, plant and equipment and intangible assets	2	(1)	


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	Consolidated financial statements		
	Six-month period ended		
	30 June		Change
	2023	2022	%
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	105,639	95,321	10.8%
Interest income	74	4	1750.0%
Net gain on foreign exchange	260	29	796.6%
Other income	1,032	541	90.8%
Total revenues	107,005	95,895	11.6%
Expenses			
Costs of rendering of services	96,607	94,269	2.5%
Administrative expenses	10,448	8,098	29.0%
Finance costs	2,621	972	169.7%
Total expenses	109,676	103,339	6.1%
Share of profit of joint venture and associate accounted for using equity method, net of tax	1,175	1,909	-38.4%
Loss before income tax expense	(1,496)	(5,535)	-73.0%
Tax expense	155	9	1622.2%
Loss for the period	(1,651)	(5,544)	-70.2%
Other comprehensive expense:			
Total comprehensive expense for the period	(1,651)	(5,544)	-70.2%
Loss attributable to:			
Owners of parent	(1,678)	(5,620)	-70.1%
Non-controlling interests	27	76	-64.5%
Loss for the period	(1,651)	(5,544)	-70.2%
Total comprehensive expense attributable to:			
Owners of parent	(1,678)	(5,620)	-70.1%
Non-controlling interests	27	76	-64.5%
Total comprehensive expense for the period	(1,651)	(5,544)	-70.2%
	<i>(in US Dollar)</i>		
Basic losses per share	(0.0012)	(0.0040)	-70.1%
Notes to the income statements			
Depreciation and amortization	12,373	6,603	
Impairment losses determine in accordance with TFRS9	10	17	
Gain from sale of trading securities	-	(4)	
Gain on disposal of investment in joint venture	-	(31)	
Loss (gain) on disposal of property, plant and equipment and intangible assets	2	(81)	



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1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2023 (Unaudited)	31 December 2022	30 June 2023 (Unaudited)	31 December 2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
Assets				
<i>Current assets</i>				
Cash and cash equivalents	2,447	7,801	128	105
Trade and other accounts receivable	85,731	63,931	747	511
Short-term loan to related party	1,478	1,250	1,478	1,250
Supplies and spare parts	585	948	-	-
Total current assets	90,241	73,930	2,353	1,866
<i>Non-current assets</i>				
Restricted deposit at financial institution	8,419	8,405	-	-
Investments in associates	22,366	22,381	22,507	22,507
Investments in joint ventures	7,309	6,119	213	213
Investments in subsidiaries	-	-	55,370	55,370
Other non-current receivable to related parties	16,000	16,000	44,172	27,474
Long-term loan to related parties	-	-	29,753	30,632
Investment properties	384	406	1,257	1,336
Property, plant and equipment	131,088	134,195	126	100
Right-of-use assets	24,837	29,355	210	264
Goodwill	-	-	-	-
Intangible assets	41	-	22	-
Deferred tax assets	620	616	55	59
Other non-current assets	95	84	49	48
Total non-current assets	211,159	217,561	153,734	138,003
Total assets	301,400	291,491	156,087	139,869


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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2023 (Unaudited)	31 December 2022	30 June 2023 (Unaudited)	31 December 2022
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
Liabilities and equity				
<i>Current liabilities</i>				
Trade and other accounts payable	57,395	54,178	1,115	706
Short-term borrowings from parent company	11,500	4,000	11,500	4,000
Current portion of long-term borrowing from parent company	12,000	5,000	12,000	5,000
Current portion of long-term borrowings from financial institution	22,209	14,209	-	-
Current portion of lease liabilities	8,883	8,683	49	106
Current income tax payable	1,799	2,238	-	-
Total current liabilities	113,786	88,308	24,664	9,812
<i>Non-current liabilities</i>				
Long-term borrowings from parent company	5,500	-	5,500	-
Long-term borrowings from financial institution	3,171	18,275	-	-
Lease liabilities	16,525	21,129	119	139
Deferred tax liabilities	15	19	-	-
Provisions for employee benefits	3,114	2,820	382	358
Total non-current liabilities	28,325	42,243	6,001	497
Total liabilities	142,111	130,551	30,665	10,309
<i>Equity</i>				
Share capital				
Authorized share capital	-	-	-	-
Issued and paid-up share capital	47,322	47,322	47,322	47,322
Share premium on ordinary shares	343,536	343,536	343,536	343,536
Deficit	(228,450)	(226,772)	(265,464)	(261,326)
Other components of equity	(3,392)	(3,392)	28	28
Equity attributable to owners of the parent	159,016	160,694	125,422	129,560
Non-controlling interests	273	246	-	-
Total equity	159,289	160,940	125,422	129,560
Total liabilities and equity	301,400	291,491	156,087	139,869



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1 (b)(ii) In relation to the aggregate amount of group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: -

- (a) the amount repayable in one year or less, or on demand;**
- (b) the amount repayable after one year;**
- (c) whether the amounts are secured or unsecured; and**
- (d) details of any collateral.**

	As at 30 June 2023		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	22,209	32,383	54,592
Amount repayable after one year	3,171	22,025	25,196

	As at 31 December 2022		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	14,209	17,683	31,892
Amount repayable after one year	18,275	21,129	39,404

(*) Including short-term borrowing from parent company, current portion of long-term borrowing from parent company, current portion of long-term borrowings from financial institution and current portion of leases liabilities, if any.

As at 30 June 2023, the Group’s property, plant and equipment with a net book value of US Dollar 89.7 million (31 December 2022: US Dollar 93.5 million) were registered to secure long-term facilities with financial institutions.

As at 30 June 2023, US Dollar 8.3 million (31 December 2022: US Dollar 8.3 million) of 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 30 June 2023, US Dollar 0.1 million (31 December 2022: US Dollar 0.1 million) of restricted deposit at a financial institution was deposited by subsidiaries to secure the performance guarantee from the financial institution.



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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated financial statements	
	Six-month period ended	
	30 June	
	2023	2022
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the period	(1,651)	(5,544)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>		
Tax expense	155	9
Finance costs	2,621	972
Depreciation	12,367	6,603
Amortisation	6	-
Unrealised loss on exchange	(1,774)	(2,863)
Gain from sale of trading securities	-	(2)
Gain from sale of investment in mutual fund	-	(4)
Share of profit of associate and joint ventures	(1,175)	(1,909)
Impairment loss determine in accordance with TFRS9	10	17
Gain on disposal of investment in joint venture	-	(31)
Gains on disposals of property, plant and equipment and intangible assets	2	(81)
Interest income	(74)	(4)
Provision for employee benefits	373	315
Loss from write-off non-refundable withholding tax	405	166
	11,265	(2,356)
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institution	(14)	8
Trade and other accounts receivable	(20,775)	(11,973)
Supplies and spare parts	363	(1,003)
Other non-current assets	(11)	(6)
Trade and other accounts payable	2,950	22,250
Net cash generated from (used in) operating activities	(6,222)	6,920
Provision for employee benefit paid	(79)	(78)
Taxes paid	(716)	(1,453)
Net cash from (used in) operating activities	(7,017)	5,389



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Consolidated financial statements

Six-month period ended
30 June

2023 2022
(in thousand US Dollar)

Cash flows from investing activities

Proceeds from sale of current investments	-	2,878
Proceeds from long-term loan to related party	-	1,092
Increase in short-term loan to related party	(228)	-
Proceeds from sale of property, plant and equipment and intangible assets	-	2,082
Acquisition of property, plant and equipment	(4,231)	(7,184)
Proceeds from disposal of investment in joint venture	-	31
Interest received	45	4
Net cash used in investing activities	(4,414)	(1,097)

Cash flows from financing activities

Proceeds from borrowings from parent company	20,000	-
Repayment of borrowings	(7,136)	(7,136)
Payment of lease liabilities	(5,093)	(88)
Finance costs paid	(1,762)	(943)
Net cash from (used in) financing activities	6,009	(8,167)

Net decrease in cash and cash equivalents, before effect of exchange rates	(5,422)	(3,875)
Effect of exchange rates changes on cash and cash equivalents	68	(80)

Net decrease in cash and cash equivalents **(5,354)** **(3,955)**

Cash and cash equivalents at 1 January	7,801	7,983
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Cash and cash equivalents at 30 June **2,447** **4,028**

Non-cash transactions

Payables for purchase of property, plant and equipment	1,313	250
Lease agreements for right-of-use assets	-	22,591
Acquisition of interest in joint venture by offsetting of loans	-	15



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1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Consolidated financial statements								
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Other components of equity			Equity attributable to owners of parent	Non-controlling interests	Total equity
Share-based payment				Changes in ownership interests	Total other components of equity				
<i>(in thousand US Dollar)</i>									
Six-month period ended 30 June 2023									
Balance at 1 January 2023	47,322	343,536	(226,772)	28	(3,420)	(3,392)	160,694	246	160,940
Comprehensive expense for the period									
Loss	-	-	(1,678)	-	-	-	(1,678)	27	(1,651)
Total comprehensive expense for the period	-	-	(1,678)	-	-	-	(1,678)	27	(1,651)
Balance at 30 June 2023	47,322	343,536	(228,450)	28	(3,420)	(3,392)	159,016	273	159,289
Six-month period ended 30 June 2022									
Balance at 1 January 2022	47,322	343,536	(226,505)	28	(3,420)	(3,392)	160,961	(286)	160,675
Comprehensive expense for the period									
Loss	-	-	(5,620)	-	-	-	(5,620)	76	(5,544)
Total comprehensive expense for the period	-	-	(5,620)	-	-	-	(5,620)	76	(5,544)
Balance at 30 June 2022	47,322	343,536	(232,125)	28	(3,420)	(3,392)	155,341	(210)	155,131



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Separate financial statements

	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/ (Deficit)	Other components of equity Share-based payment	Total equity
<i>(in thousand US Dollar)</i>					
Six-month period ended 30 June 2023					
Balance at 1 January 2023	47,322	343,536	(261,326)	28	129,560
Comprehensive income for the period					
Profit	-	-	(4,138)	-	(4,138)
Total comprehensive income for the period	-	-	(4,138)	-	(4,138)
Balance at 30 June 2023	<u>47,322</u>	<u>343,536</u>	<u>(265,464)</u>	<u>28</u>	<u>125,422</u>
Six-month period ended 30 June 2022					
Balance at 1 January 2022	47,322	343,536	(257,256)	28	133,630
Comprehensive expense for the period					
Loss	-	-	(4,287)	-	(4,287)
Total comprehensive expense for the period	-	-	(4,287)	-	(4,287)
Balance at 30 June 2022	<u>47,322</u>	<u>343,536</u>	<u>(261,543)</u>	<u>28</u>	<u>129,343</u>



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1 (d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company’s share capital during the current and corresponding period.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.

As at 30 June 2023 and 31 December 2022, the issued and paid-up ordinary shares of the Company were 1,413,329,000 shares with a par value of Baht 1 per share.

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have been reviewed in accordance with the Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” by the auditor of the Company, KPMG Phoomchai Audit Limited.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

The independent auditor’s report on review of interim financial information is on pages 1 of the interim consolidated and the Company financial statements for the three-month and six-month periods ended 30 June 2023, which are reported together with this announcement and available on the SGX’s website and the Company’s website.



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3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the annual financial statements for the year ended 31 December 2022.

5. If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

No, there are no any changes in the accounting policies and methods of computation for the six-month period ended 30 June 2023.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Basic losses per share/Fully diluted basis

The calculations of basic losses per share for the three-month and six-month periods ended 30 June 2023 and 2022 were based on the loss for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements			
	2023 <i>(in thousand US Dollar/ thousand shares)</i>	2022 <i>(in thousand US Dollar/ thousand shares)</i>	2023 <i>(in thousand Baht/ thousand shares)</i>	2022 <i>(in thousand Baht/ thousand shares)</i>
Profit attributable to ordinary shareholders of the Company (basic)	<u>3,188</u>	<u>2,272</u>	<u>109,918</u>	<u>78,150</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Earning per share (basic)	<u>0.0023</u>	<u>0.0016</u>	<u>0.0778</u>	<u>0.0553</u>



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<i>Six-month period ended 30 June</i>	Consolidated financial statements			
	2023 <i>(in thousand US Dollar/ thousand shares)</i>	2022 <i>(in thousand US Dollar/ thousand shares)</i>	2023 <i>(in thousand Baht/ thousand shares)</i>	2022 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(1,678)</u>	<u>(5,620)</u>	<u>(55,099)</u>	<u>(182,703)</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Losses per share (basic)	<u>(0.0012)</u>	<u>(0.0040)</u>	<u>(0.0390)</u>	<u>(0.1293)</u>

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and**
- (b) immediately preceding financial year.**

	Consolidated		Company	
	30-Jun-23 USD	31-Dec-22 USD	30-Jun-23 USD	31-Dec-22 USD
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of the respective year				
- Ordinary share (Basic)	0.11	0.11	0.09	0.09
<i>Remark: Net asset value = Total equity attributable to owners of the Company</i>				

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Income Statements

Three-month period ended 30 June 2023

Subsea group reported service income for the three-month period ended 30 June 2023 of US Dollar 62.0 million, an increase of US Dollar 7.1 million or 13.0% compared to US Dollar 54.9 million of the corresponding period. The increase was primarily from subsea inspection, repair and maintenance (“IRM”) and subsea transportation and installation (“T&I”) projects.

Subsea group generated gross profit for the three-month period ended 30 June 2023 of US Dollar 8.8 million, an increase of US Dollar 2.9 million compared to US Dollar 5.9 million of the corresponding period. This was primarily due to all vessels were fully utilized 100% except one vessel was on preparation stage.



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Subsea Group reported operating profit for the three-month period ended 30 June 2023 of US Dollar 8.5 million, an increase of US Dollar 2.2 million compared to operating profit of US Dollar 6.3 million of the corresponding period.

The Group reported service income for the three-month period ended 30 June 2023 of US Dollar 62.0 million, an increase in service income by US Dollar 7.1 million or approximately by 13.0% compared to US Dollar 54.9 million of the corresponding period.

The Group reported gross profit of US Dollar 8.7 million for the three-month period ended 30 June 2023, an increase of US Dollar 2.8 million compared to US Dollar 5.9 million of the corresponding period.

The Group reported administrative expenses for the three-month period ended 30 June 2023 of US Dollar 5.2 million, an increase of US Dollar 1.0 million or approximately by 23.8% compared to US Dollar 4.2 million of the corresponding period. This was primarily due to depreciation expense of right-of-use assets, employee benefit expense, and oversea withholding tax.

The Group reported finance cost for the three-month period ended 30 June 2023 of US Dollar 1.3 million, an increase of US Dollar 0.8 million compared to US Dollar 0.5 million of the corresponding period. The increase was primarily from interest from lease liabilities of US Dollar 0.4 million, borrowings from financial institution of US Dollar 0.2 million, and borrowings from parent company of US Dollar 0.2 million.

The share of profit of associates and joint venture for the three-month period ended 30 June 2023 was US Dollar 0.7 million, a decrease of US Dollar 0.1 million compared to US Dollar 0.8 million of the corresponding period. This was primarily due to share of gain from Millennium 3 Ship Management and Operations DMCCO (“M3JV”) offset against share of loss from Zeaquest Co., Ltd.

Tax expense for the three-month period ended 30 June 2023 was US Dollar 0.4 million which mainly from accrued corporate income tax in Saudi Arabia.

As a result, the Group reported net profit of US Dollar 3.2 million for the three-month period ended 30 June 2023, an increase of US Dollar 0.7 million from US Dollar 2.5 million of the corresponding period.

Six-month period ended 30 June 2023

Subsea group reported service income for the six-month period ended 30 June 2023 of US Dollar 105.6 million, an increase of US Dollar 10.3 million or 10.8% compared to US Dollar 95.3 million of the corresponding period. The increase was primarily from subsea IRM and T&I projects.

Subsea group generated gross profit for the six-month period ended 30 June 2023 of US Dollar 9.0 million, an increase of US Dollar 7.9 million compared to US Dollar 1.1 million of the corresponding period. This was primarily due to a higher utilization of all vessels.



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Subsea Group reported operating profit for the six-month period ended 30 June 2023 of US Dollar 4.0 million, an improvement of US Dollar 5.9 million compared to operating loss of US Dollar 1.9 million of the corresponding period.

The Group reported service income for the six-month period ended 30 June 2023 of US Dollar 105.6 million, an increase of US Dollar 10.3 million or 10.8% compared to US Dollar 95.3 million of the corresponding period.

The Group reported gross profit for the six-month period ended 30 June 2023 of US Dollar 9.0 million, an increase of US Dollar 7.9 million compared to US Dollar 1.1 million of the corresponding period.

The Group reported administrative expenses for the six-month period ended 30 June 2023 of US Dollar 10.4 million, an increase of US Dollar 2.3 million or approximately by 28.4% compared to US Dollar 8.1 million of the corresponding period. This was primarily due to depreciation expense of right-of-use assets, employee benefit expense, professional fee, and oversea withholding tax.

The Group reported finance cost for the six-month period ended 30 June 2023 of US Dollar 2.6 million, an increase of US Dollar 1.6 million compared to US Dollar 1.0 million of the corresponding period. The increase was primarily from interest from lease liabilities, borrowings from financial institution, and borrowings from parent company.

The share of profit of associates and joint venture for the six-month period ended 30 June 2023 was US Dollar 1.2 million, a change of US Dollar 0.7 million compared to US Dollar 1.9 million of the corresponding period.

Tax expense for the six-month period ended 30 June 2023 was US Dollar 0.2 million which mainly from accrued corporate income tax in Saudi Arabia.

As a result, the Group reported net loss for the six-month period ended 30 June 2023 of US Dollar 1.7 million in, a decrease of US Dollar 3.8 million from net loss of US Dollar 5.5 million of the corresponding period.

Consolidated Balance Sheets

Current assets as at 30 June 2023 were US Dollar 90.2 million, an increase of US Dollar 16.3 million or approximately 22.1% compared to US Dollar 73.9 million as at 31 December 2022. The increase was primarily due to an increase in trade and other accounts receivable of US Dollar 21.8 million offset against decreases in cash and cash equivalents of US Dollar 5.4 million.

Non-current assets as at 30 June 2023 were US Dollar 211.2 million, a decrease of US Dollar 6.4 million or approximately 2.9% compared to US Dollar 217.6 million as at 31 December 2022. The decrease was mainly due to a decrease in property, plant and equipment of US Dollar 3.1 million and right-of-use assets of US Dollar 4.5 million offset against an increase in investment in joint ventures of US Dollar 1.2 million.



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Current liabilities as at 30 June 2023 were US Dollar 113.8 million, an increase of US Dollar 25.5 million or approximately 28.9% compared to US Dollar 88.3 million as at 31 December 2022. The increase was primarily due to an increase in trade and other accounts payable of US Dollar 3.2 million, short-term borrowings and current portion of long-term borrowings from parent company of US Dollar 14.5 million, and current portion of long-term borrowings from financial institution of US Dollar 8.0 million.

Non-current liabilities as at 30 June 2023 were US Dollar 28.3 million, a decrease of US Dollar 13.9 million or approximately 32.9% compared to US Dollar 42.2 million as at 31 December 2022. The decrease was primarily due to a repayment of long-term borrowings from financial institution of US Dollar 7.1 million, a reclassify to current portion of long-term borrowings of US Dollar 8.0 million, and a decrease in lease liabilities of US Dollar 4.6 million. Whilst the long-term borrowings from parent company increased of US Dollar 5.5 million.

Equity as at 30 June 2023 was US Dollar 159.2 million, a decrease of US Dollar 1.7 million or approximately 1.0% compared to US Dollar 160.9 million from 31 December 2022. This was mainly due to reported net loss for the six-month period.

Working Capital

The Group and the Company has negative working capital as at 30 June 2023 of US Dollar 23.5 million and US Dollar 22.3 million. These are mainly from borrowings from parent company of US Dollar 23.5 million and a current portion of long-term borrowings from financial institution of US Dollar 22.2 million. Additionally, the parent company has provided financial assistances which they will not call upon the borrowings for the next 12 months or unless the Company has sufficient funds to meet the outstanding financial obligations to the parent company. Management has assessed and ensured that the Group can continue the operations.

Consolidated Cash Flow Statements

The Group had net cash used in operating activities for the six-month period ended 30 June 2023 of US Dollar 7.0 million which was mainly from an increase in trade and other accounts receivable.

The Group had net cash used in investing activities for the six-month period ended 30 June 2023 of US Dollar 4.4 million. This was primarily due to an acquisition of property, plant and equipment of US Dollar 4.2 million and increase in short-term loan to related party of US Dollar 0.2 million.

The Group had net cash from financing activities for the six-month period ended 30 June 2023 of US Dollar 6.0 million. This was primarily due to a new borrowing from parent company of US Dollar 20.0 million offset against a repayment to financial institution of US Dollar 7.1 million, a payment of lease liabilities of US Dollar 5.1 million, and finance cost paid of US Dollar 1.8 million.



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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

World Economic Outlook:

Global growth is projected to decline from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and 2024. Although the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (“WEO”), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to decrease from 8.7 percent in 2022 to 6.8 percent in 2023 and further down to 5.2 percent in 2024.

Recent developments, such as the resolution of the US debt ceiling standoff and decisive actions taken earlier this year by authorities to address turbulence in US and Swiss banking sectors, have reduced the immediate risks of potential financial sector disruptions. These measures have positively influenced the outlook by mitigating adverse risks. However, it is important to acknowledge that the balance of risks for global growth still tilts towards the downside.

Inflation could persist at high levels or even escalate if additional shocks occur, including those stemming from an escalation of the war in Ukraine and extreme weather events, which could prompt more stringent monetary policy responses. The possibility of financial sector turbulence resurfacing remains as markets adapt to further tightening of policies by central banks. Moreover, China’s economic recovery might slow, partly due to unresolved real estate issues, potentially leading to negative cross-border effects. Additionally, there is a concern that sovereign debt distress could spread to a broader group of economies.

On a more positive note, there is a chance that inflation could decline more rapidly than anticipated, reducing the need for strict monetary policies, while domestic demand may exhibit increased resilience, providing a boost to economic prospects.

In conclusion, the global economic landscape continues to face challenges and uncertainties. Policymakers must remain vigilant and implement appropriate measures to navigate the potential risks while fostering conditions conducive to sustainable growth and stability.

Geopolitical Instability: Ukraine Invasion

Global Impact:

An escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. With elevated food and fuel prices, social unrest may increase. The war in Ukraine and the related international sanctions aimed at pressuring Russia to end hostilities are splitting the world economy into blocs and reinforcing earlier geopolitical tensions, such as those associated with the US-China trade dispute.



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Fragmentation could intensify with more restrictions on cross-border movements of capital, workers, and international payments and could hamper multilateral cooperation on providing global public goods. The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

Operational Impact:

Currently, Mermaid does not have – or intend to have - any operations requiring passage or deployment to or from the near affected area and is receiving constant updates of insurance and other related advisories in this regard.

Subsea Outlook:

The subsea market is currently experiencing a notable rally, and experts predict that there is still considerable growth ahead. This positive development can be attributed to several factors, including years of inadequate investment in the industry, the ongoing war in Ukraine, and the implementation of the new international sanctions, leading to a reduction in Russia's production. These factors have collectively provided a significant boost to the offshore market.

As a result of these developments, there has been a substantial increase in offshore spending activity. The subsea sector is demonstrating a much more immediate response to key market indicators, and there is a reassuring level of long-term bookings, indicating a strong and steady demand.

Renewable energy sources, particularly in the form of wind farms, have garnered considerable interest due to optimistic market projections. This growing focus on renewables offers an advantage to the subsea industry as it diverts attention away from traditional oil and gas operations. However, it is essential to acknowledge that fierce competition could emerge, pulling vessels back from wind-farm projects to oil and gas ventures, driven by higher rates and longer commitment opportunities.

Conclusion:

Considering the current market conditions, Mermaid maintains an optimistic outlook on the oil and gas industry in the upcoming year. Mermaid firmly believes that it holds a strong competitive advantage due to its strategic geo-positioning, solid reputation, proven track record, and commitment to fiscal discipline. With the prevailing higher energy prices, Mermaid expects to continue generating respectable profits in the short and intermediate term.

Looking ahead, the Group remains focused around building capacity in the Engineering and Cable divisions. Mermaid further notes the WEO report findings that new policies in major energy markets will propel annual clean energy investment to more than US Dollar 2 trillion by 2030. This development aligns well with Mermaid's strategic objective of seamlessly moving into the renewables space when suitable opportunities arise. As the clean energy sector becomes a pivotal driver for growth, job creation, and our tonnage, Mermaid is positioning itself to capitalize on these emerging prospects.

In summary, Mermaid is well-positioned to navigate the evolving energy landscape with confidence. Leveraging its strengths and adaptability, the company is poised to capitalize on



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the potential opportunities presented by the clean energy sector while maintaining its commitment to delivering positive results in the oil and gas industry in the near term.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared during the period.

(b) (i) Amount per share.....cents

No dividend has been declared during the period.

(b) (ii) Previous corresponding period.....cents

No dividend has been declared during the corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

No dividend has been declared during the period.

(d) The date the dividend is payable.

No dividend has been declared during the period.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

No dividend has been declared during the period.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended by the board of directors (“Directors”) of the Company in respect of 2Q2023 due to the net losses of the Group.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no mandate from shareholders for IPTs.

The aggregate value of interested person transactions of the Group entered into during the three-month and six-month period ended 30 June 2023 are as below:



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Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Thoresen Thai Agencies Public Company Limited ("TTA")	TTA is an ultimate parent company.	Finance cost USD 0.6 million. Loan USD 20.0 million with interest 7% per annum	-

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the Second quarter that ended on 30 June 2023 of the Group and the Company to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual of the SGX-ST

16. A reconciliation of a difference between TFRS to IFRS.

There is no significant difference between TFRS and IFRS.

BY ORDER OF THE BOARD

Mr. Prasert Bunsumpun	Mr. Chalermchai Mahagitsiri
Chairman of the Board	Chief Executive Officer