

-Translation-

The Independent Financial Advisor's Opinion Report  
on the Connected transaction in providing financial assistance to  
Mermaid Maritime Public Company Limited

Present to  
Thoresen Thai Agencies Public Company Limited



Thoresen Thai Agencies  
Public Company Limited

Prepared by

Avantgarde Capital Co., Ltd.



24 March 2023



24 March 2023

Subject The Independent Financial Advisor's Opinion Report on the Connected transaction in providing financial assistance to Mermaid Maritime Public Company Limited

To The President and The Stock Exchange of Thailand

With reference to Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") in its Board of Directors' Meeting No. 03/2023 held on 8 March 2023 passed the resolution that it deemed appropriate to propose the 2023 Annual General Meeting of Shareholders of the Company ("2023 e-AGM") to consider and approve providing financial assistance in the form of loan to Mermaid Maritime Public Company Limited ("MML or MMPLC"). MML is a subsidiary of the Company holding 58.22 percent of its total shares issued and paid-up, listed on the Singapore Stock Exchange. Details of which are as follows:

#### 1. Date of Transaction

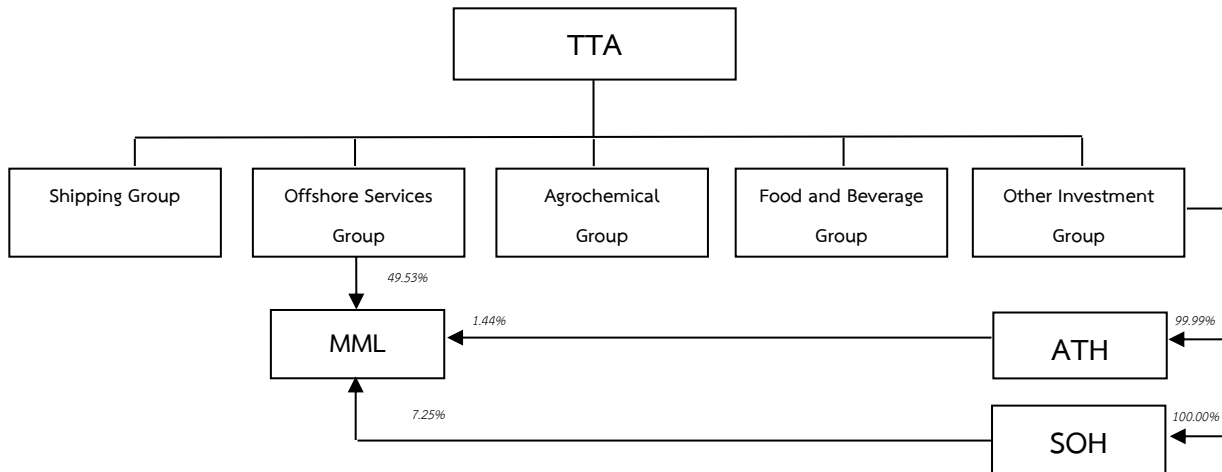
The Company will be able to enter into the transaction after obtaining approval from the 2023 e-AGM. The entering into the transaction and the amount of each financial assistance will be determined by MML's funding requirement and the Company's ability to provide financial assistance at that time.

#### 2. Parties Involved and Relationship with the Company

- Lender: Thoresen Thai Agencies Public Company Limited or TTA
  - A shareholder of MML holding 58.22 percent in aggregation of both direct and indirect of the total shares issued and paid-up. [Holding directly 49.53 percent and indirectly, through two of its 99.99 and 100 percent owned subsidiaries, 1.44 percent through Athene Holdings Ltd. ("ATH") and 7.25 percent through Soleado Holdings Pte. Ltd. ("SOH") respectively].
- Borrower: Mermaid Maritime Public Company Limited or MML
  - Primary Activity: Offshore services investments
  - A subsidiary of TTA holding 58.22 percent the total shares issued and paid-up, directly, and indirectly through ATH and SOH. MML is listed on the Singapore Stock Exchange.



- Shareholding Structure



- Name of Connected Persons:

Directors

TTA	MML
1. Mr. Prasert Bunsumpun	1. Mr. Prasert Bunsumpun
2. Mr. Chalermchai Mahagitsiri	2. Mr. Chalermchai Mahagitsiri
3. Dr. Jean Paul Thevenin	3. Dr. Jean Paul Thevenin
4. Ms. Ausana Mahagitsiri	
5. Mr. Kamolsut Dabbaransi	



## Shareholders

Name	TTA (As of 28 February 2023*)		MML (As of 30 December 2022**)		Hold MML directly and indirectly through TTA Percent
	Number of Shares	Percent	Number of Shares	Percent	
1. TTA Group	-	-	822,908,013	58.22	58.22
• TTA	-	-	700,000,000	49.53	
• ATH	-	-	20,398,420	1.44	
• SOH	-	-	102,509,593	7.25	
2. Mr. Chalermchai Mahagitsiri <sup>1</sup>	427,679,159	23.47	150,461,660	10.65	24.314
• Mr. Chalermchai Mahagitsiri	277,679,159	15.24			
• Credit Suisse AG, Singapore Branch	150,000,000	8.23			
3. Ms. Ausana Mahagitsiri	99,866,937	5.48	63,588,647	4.50	7.690
4. Mr. Prayuth Mahagitsiri <sup>2</sup>	57,874,058	3.18	55,081,582	3.90	5.751
• Mr. Prayuth Mahagitsiri	35,253,358	1.93			
• DBS Bank Ltd. AC DBS Nominees-PB Clients	22,620,700	1.24			
5. Mrs. Suvimol Mahagitsiri	10,848,823	0.60	-	-	0.349
6. Mr. Prasert Bunsumpun	182,000	0.01	-	-	0.006

Note \* The Company's book of shareholder registration

\*\* The lasted information from MML

1/ Mr. Chalermchai Mahagitsiri indirectly held 150,000,000 shares under a custodian account. The combined shares of Mr. Chalermchai Mahagitsiri both direct and indirect is totaling 427,679,159 shares or 23.47 percent of the total issued and paid-up shares of the Company.

2/ Mr. Prayudh Mahagitsiri indirectly held 22,620,700 shares under a custodian account. The combined shares of Mr. Prayudh Mahagitsiri both direct and indirect is totaling 57,874,058 shares or 3.18 percent of the total issued and paid-up shares of the Company.

- Reasons, necessity and benefits that person who may have conflicts of interest hold more than 10.00 percent of MML's total voting shares:

Mr. Chalermchai Mahagitsiri has expertise in the shipping business for more than 11 years which becomes a necessity for the offshore services business of MML where needs knowledge and understanding in shipping services, ship maintenance, ship procurement, including the market expansion to abroad, such as the Middle East, North Africa, Southeast Asia. In addition, Mr. Chalermchai Mahagitsiri's business networks is a significant factor in business operation and to ensure the customers' confidence towards MML. The Company applies the prevention mechanism of conflict of interest when the connected party transactions occur. The person who may have



conflicts of interest shall not participate in the meeting and abstain from voting in the said transactions in both Board of Directors Meeting and the shareholders' meeting. The Company annually discloses the connected party transactions as well as the reasons and necessity for entering into the Transactions in Form 56-1 One Report.

### 3. General Characteristics of Transaction

MML needs USD 20,000,000 for its working capital in FY2023 (which was already drawn for USD 7,500,000 in February 2023). Therefore, the remaining fund in this transaction is USD 12,500,000. Referred to MML's past performance and operational risk-related difficulties in the oil and gas business and subsea business, and there is a possibility that credit facilities from financial institutions will not be provided within MML's expected timeline, therefore, MML requests additional loan in the amount of USD 12,500,000 from TTA, its parent company, with the terms and conditions as follows:

- Non-Revolving Loan amount: not exceed USD 12,500,000 or equal to approximately THB 433,587,500 (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023).
- Interest rate: 7 percent per annum which is TTA cost of fund plus risk premium.
- Maturity date: within 3 years
- Collateral: none
- Purpose of providing financial assistance: to support working capital of MML
- Conditions that may affect the rights of shareholders: None
- Summary of TTA loans to MML as follows:

No.	Date	Loan Amount (MUSD)	Repayment Amount (MUSD)	Interest (per annum)
1	27 December 2021	5.0	5.0	7 percent
2	16 December 2022	4.0	4.0	7 percent
3	10 February 2023	7.5	7.5	7 percent
4	Subject to the 2023 e- AGM meeting of shareholder approval	12.5	-	
	<b>Total</b>	<b>29.0</b>	<b>16.5</b>	



#### 4. Type and Size of Transaction

This Transaction is considered a connected transaction regarding the provision of financial assistance to a company that TTA holds more shares than the connected person according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. Total value of the Transaction is approximately USD 13,664,685 (principal and interest over the loan period) or equal to approximately THB 473,986,929 (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023), or equivalent to approximately 2.11 percent of the Company's Net Tangible Assets ("NTA") according to the latest consolidated financial statements as of 31 December 2022.

When combining the size of connected transactions undertaken by the Company during the past six months based on the aforementioned rules and regulations, this results in the total value of transactions is 3.84 percent of NTA, exceeding 3 percent of the Company's NTA according to the latest consolidated financial statements as of 31 December 2022; therefore, the Company is required to:

- (a) disclose the information of the Transaction to the Stock Exchange of Thailand;
- (b) appoint an independent financial advisor, whereby the Company appointed Avantgarde Capital Company Limited as an independent financial advisor to provide an opinion on the Company's connected transaction to the shareholders for consideration and approval of the Transaction and deliver such opinion to the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"); and
- (c) seek approval for entering into the Company's connected transaction from a shareholders' meeting with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such a meeting to the shareholders at least 14 days prior to the meeting date.

#### 5. Expected Benefit to be Received

Considering MML Company's performance for the year 2022, MML turned to a net profit of Baht 34,159,981, increased 107%YoY, with constant high order book in amount of USD 320,776,523. Hence, the financial assistance from TTA will provide MML working capital needed to continue its decommissioning and T&I, and cable laying services. Considering that MML credit term provided to customer, MML will recognize revenue and receive payment after work completion; hence, working capital is needed as an advance working capital. For example, MML was awarded the contract for engineering, procurement, construction, installation, and testing of oil pipelines for oil wells in the Gulf of Thailand, MML is required to advance its working capital to procure subsea exploration equipment,



oil pipeline, and personnel expenses. For the year 2022, revenues from decommissioning and T&I and cable laying accounted 49% of total revenue, compared to 27% of total revenue in 2021 and 0% in 2020. Whereas revenue from subsea exploration-- repair, and undersea infrastructure installation (IRM) accounted 51% of total revenue in 2022, compared to 73% and 100% of total revenue in 2021 and 2020 respectively. Therefore, expanding business to operating decommissioning and T&I, and cable laying services resulted in more balance and diversified revenue structure and less dependency on revenue from IRM business.

#### **6. Source of Fund**

The source of funds derived internal cash flow of the company. As of December 31, 2022, cash and cash equivalents were reported at Baht 3,263.2 million while other financial assets were reported at Baht 1,213.7 million according to TTA's separate financial statements. After the cash reservation of future investment and debentures repayments, TTA still has sufficient fund available to provide financial assistance to MML.

#### **7. Directors Having Conflict of Interest and/or Directors being Connected Persons**

Mr. Prasert Bunsumpun, Mr. Chalermchai Mahagitsiri, Dr. Jean Paul Thevenin, Ms. Ausana Mahagitsiri, and Mr. Kamolsut Dabbaransi, the Company's directors being the connected persons, abstained from participation and voting on this matter.

#### **8. Opinions of the Board of Directors**

The Board of Directors (excluding related directors) has carefully considered this transaction and has an opinion that entering into such a transaction is appropriate and beneficial to the Company and its shareholders. The financial assistance will be used as working capital for operations of decommissioning and T&I, and cable laying to purchase survey equipment, oil pipeline, and pay for personnel expenses whereas the payment will be received after work completion. Therefore, working capital will enable MML to operate decommissioning and T&I, and cable laying business operations more smoothly and deliver work to customers to recognize revenue in line with business plan. As a result, MML will generate higher income and achieve diversified revenue portfolio and reduce revenue dependence from the original core business--IRM business. MML is currently providing decommissioning and T&I service to a leading international oil and natural gas drilling company that MML developed long-term relationship with and has outstanding finance credential with punctual payment history. In conclusion, this financial assistance will enable MML to operate smoothly, increase its revenue and net profit which will resulted in an increase in revenue and net profit of TTA's consolidated financial statements as well.

#### **9. Opinion of the Audit Committee**

The Audit Committee has considered and reviewed the reasonableness of this Transaction and has no objection to proceeding or a different opinion from the Board under Item 8.



## Glossary

“ATH”	Athene Holding LTD.
“Backlog”	Revenue from services pending recognition
“COVID-19”	Novel Coronavirus Disease 2019
“Dry docking”	Bringing the boat in for inspection
“MML”	Mermaid Maritime Public Company Limited, which is listed on the Singapore Stock Exchange (SGX) and is a subsidiary of the Company holds 58.22 percent of all issued and paid-up shares
“Notifications on Connected Transactions”	Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies on Connected Transactions B.E. 2546 dated November 19, 2003 (as amended)
“SEC”	Securities and Exchange Commission
“SET”	Stock Exchange of Thailand
“SOH”	Soleado Holding PTE. LTD.
“The Company” or “TTA”	Thoresen Thai Agencies Public Company Limited
“The IFA”	Avantgarde Capital Company Limited
“Transaction”	Connected transaction in the form of providing financial assistance to Mermaid Maritime Public Company Limited





## Table of contents

<b>1. Executive Summary</b> .....	<b>1-1</b>
1.1 Background and purpose of the transaction.....	1-1
1.2 Appropriateness for entering into the transaction.....	1-4
<b>2. Characteristics and details of the transaction</b> .....	<b>2-1</b>
2.1 Background and purpose of the transaction.....	2-1
2.2 Date of Transaction.....	2-3
2.3 Contract parties and their relationship.....	2-3
2.4 Type and size of the transaction.....	2-5
2.5 Summary of key conditions and terms of entering into the transaction.....	2-6
2.6 Meeting attendance and voting in the meeting of the board of directors and interested directors .....	2-7
2.7 Summary of Thoresen Thai Agencies Public Company Limited.....	2-7
2.8 Summary of Mermaid Maritime Public Company Limited.....	2-7
<b>3. Appropriateness for entering into the transaction</b> .....	<b>3-1</b>
3.1 Objective and necessity of the transaction.....	3-1
3.2 History of providing financial assistance to the Company.....	3-2
3.3 Repayment plan for entering into this transaction.....	3-2
3.4 Impacts from financial assistance to the Company.....	3-3
3.5 Analysis of MML's loan repayment ability.....	3-4
3.6 Appropriateness of the interest rates for entering into the transaction.....	3-12
3.7 Appropriateness of the conditions for entering into the transaction.....	3-15
3.8 Advantages and disadvantages for entering into the transaction.....	3-18
3.9 Advantages and disadvantages for entering into the connected transaction compared to the third party.....	3-20
3.10 Risk of entering into the transaction.....	3-21
<b>4. Appendix</b> .....	<b>4-1</b>
4.1 Business overview of Thoresen Thai Agencies Public Company Limited (“The Company”).....	4-1
4.2 Business overview of Mermaid Maritime Public Company Limited (“MML”).....	4-48



## 1. Executive Summary

### 1.1 Background and purpose of the transaction

With reference to Thoresen Thai Agencies Public Company Limited (“TTA” or “the Company”) in its Board of Directors’ Meeting No. 03/2023 held on 8 March 2023 passed the resolution that it deemed appropriate to purpose the 2023 Annual General Meeting of Shareholders of the Company to consider and approve providing financial assistance in the form of loan to Mermaid Maritime Public Company Limited (“MML”) at USD 12.50 million or equal to THB 433.59 million (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023). MML is listed company in Singapore that the Company holds 58.22 percent of all issued and paid-up shares. MML needs fund for working capital in 2023 in the amount of USD 20.00 million (MML has already received USD 7.50 million in February 2023). The remaining amount is USD 12.50 million. The reason for the request for financial assistance is from MML, which requires working capital for operations during May - June 2023, in which the request for a loan from a financial institution takes more than 6 months to get approval. Moreover, the fluctuations in oil and natural gas prices, which enables entrepreneurs in the oil and natural gas production business to improve their investment plans and operational plans. Consequently, MML's subsea engineering services will continue to be affected. From those risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period. Therefore, MML has necessity to obtain financial assistance from the Company. The details of MML's working capital expenses in the amount of USD 20.00 million are as follows:

- 1) Expenses for dry docking in 3 subsea vessels, totaling USD 8.20 million, or equal to THB 433.59 million in June 2023, that the vessel will enable to expand its business including cable laying and engineering T&I and decommissioning projects. The details of the vessels are as follows.
  - Mermaid Asiana is built for DP2 dive support and equipped with a built in 12-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 100 personnel.
  - Mermaid Enduer is built for DP2 dive support and 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.
  - Van Gogh is built for DP2 dive support and equipped with a built in 18-man single bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel has a 150-tonne active heave-compensated knuckle boom crane and accommodation for 120 personnel.



- 2) Advanced payments for subsea equipment, transportation, and personnel in Mubadala project, which MML has been contracted for construction installation and testing of oil pipelines for oil wells in the Gulf of Thailand in the amount of USD 10.00 million. The payments will be used in May 2023 and will be recognized as revenue in the 4<sup>th</sup> quarter of 2023. This will help MML expand its customer base for its subsea cable laying business in those area.
- 3) Expenses for other working capital and contingency reserve of USD 1.80 million.

However, the Board of Directors' Meeting No. 1/2023 held on 20 January 2023 resolved to approve in financial assistance to MML in the amount of USD 7.50 million, equivalent to THB 252.73 million (USD 1 = THB 33.697, referring to the rate of foreign exchange announced by the Bank of Thailand on 9 February 2023) whereby MML has used the money for dry docking in 3 vessels, the remaining amount is USD 12.50 million, equivalent to THB 433.59 million (USD 1 is equal to THB 34.687, referring to foreign exchange rates announced by the Bank of Thailand on 7 March 2023) will be used as the rest of working capital. Therefore, MML will need the fund from the Company. The fund from the Company comes from cash and cash equivalents and other current financial assets. which is sufficient to provide such financial assistance. The details are shown below.



	Details of connected transaction																				
<b>Financial Assistance Receiver</b>	Mermaid Maritime Public Company Limited (“MML”)																				
<b>Credit details</b>	Non-Revolving Loan not exceed USD 12.50 million or equals to THB 433.59 million <sup>1/</sup>																				
<b>Objectives</b>	To support working capital of MML																				
<b>Interest</b>	7.00 percent per annum which is TTA cost of fund plus risk premium. (The payment is made on the last business day in each quarter.)																				
<b>Repayments</b>	Within 3 years. The company and MML have initially negotiated on the following payment plan:																				
	<table border="1"> <thead> <tr> <th>Date</th> <th>Amount (million USD)</th> <th>Amount (million THB)<sup>1/</sup></th> </tr> </thead> <tbody> <tr> <td>31 December 2023</td> <td>5.00</td> <td>173.44</td> </tr> <tr> <td>30 June 2024</td> <td>2.00</td> <td>69.37</td> </tr> <tr> <td>31 December 2024</td> <td>2.00</td> <td>69.37</td> </tr> <tr> <td>30 June 2025</td> <td>3.50</td> <td>121.40</td> </tr> <tr> <td><b>Total</b></td> <td><b>12.50</b></td> <td><b>433.59</b></td> </tr> </tbody> </table>			Date	Amount (million USD)	Amount (million THB) <sup>1/</sup>	31 December 2023	5.00	173.44	30 June 2024	2.00	69.37	31 December 2024	2.00	69.37	30 June 2025	3.50	121.40	<b>Total</b>	<b>12.50</b>	<b>433.59</b>
Date	Amount (million USD)	Amount (million THB) <sup>1/</sup>																			
31 December 2023	5.00	173.44																			
30 June 2024	2.00	69.37																			
31 December 2024	2.00	69.37																			
30 June 2025	3.50	121.40																			
<b>Total</b>	<b>12.50</b>	<b>433.59</b>																			
<b>Default interest rate</b>	9.00 percent per annum																				
<b>Collaterals</b>	None																				
<b>Conditions that may affect the rights of shareholders</b>	None																				

Note: 1/ USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023

The transaction size is USD 13.66 million or equal THB 473.99 million including USD 12.50 million or equal to THB 433.59 million in principal and USD 1.64 million or equal to THB 40.40 million in interest (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023), or equivalent to 2.12 percent of the Company's Net Tangible Assets (“NTA”) according to the latest consolidated financial statement as of 31 December 2022. With combining the size of connected transactions undertaken by the Company during the past 6 months, this results in the total value transaction is 3.84 percent of NTA, exceeding 3.00 percent of the Company's NTA according to the latest consolidated financial statements as of 31 December 2022; therefore, the Company is required to:

- (a) disclose the information of the Transaction to the Stock Exchange of Thailand;
- (b) appoint an independent financial advisor, whereby the Company appointed Avantgarde Capital Company Limited as an independent financial advisor to provide an opinion on the Company's connected transaction to the shareholders for consideration and approval of the Transaction and deliver such opinion to the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”); and
- (c) seek approval for entering into the Company's connected transaction from a shareholders' meeting with votes of not less than three-fourths of the total votes of the shareholders



attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such a meeting to the shareholders at least 14 days prior to the meeting date.

## 1.2 Appropriateness for entering into the transaction

Avantgarde Capital Company Limited (“Independent Financial Advisor” or “IFA”) as an independent financial advisor to shareholders appointed by the Company has studied the details of this transaction and can summarize the opinions as follows:

### 1.2.1 Objective and necessity of the transaction

For the objective of entering into the transaction of financial assistance to MML, a company listed on the Stock Exchange of Singapore and is a subsidiary of the Company holds 58.22 percent of all issued and paid-up shares, it is a necessary assistance to enable MML to use as working capital for the year 2023 in the amount of USD 20.00 million while MML has already received USD 7.50 million in February 2023, thus, the balance was 12.50 USD million which is the same amount as the transaction of financial assistance to MML this time. The proceeds will be used for 1) expenses for dry docking in 3 subsea vessels, 2) advanced payments for subsea equipment, transportation, and personnel in Mubadala project during May - June 2023, and 3) expenses for other working capital and contingency reserve. Moreover, obtaining a loan from a financial institution requires more than 6 months of approval time. Coupled with the current volatility in oil and gas prices which causes entrepreneurs in the oil and gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected. From such risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period which are the reasons for this transaction.

In this regard, the Board of Directors' Meeting No. 03/2023 held on 8 March 2023 resolved to propose to the Annual General Meeting of Shareholders to consider and approve the provision of financial assistance in the form of a non-current loan facility in the total amount not exceeding USD 12.50 million, equivalent to THB 433.59 million, to Mermaid Maritime Public Company Limited (“MML”) for working capital for MML's operations with interest rate of 7.00 percent per year, which is the interest rate plus the risk margin of the company which has better returns than investing in deposits with financial institutions or other short-term investments. The Company expects that this transaction will enable MML to deploy submarine civil engineering support vessels and enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure. The objectives of the transaction can be summarized as follows:



- To enhance liquidity and increase flexibility for MML. Since MML is a subsidiary of the Company, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure.
- To create returns for the Company more than investing in deposits with financial institutions or other short-term investments. According to the Company's financial statement in 2022, the company has highly liquid assets of THB 4,476.87 million, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets, which is sufficient to provide the financial assistance to MML in the amount of USD 12.50 million or equivalent to THB 433.59 million. In addition, the Company's quick ratio is higher than 1.00 times in 2018 - 2022, that is, the current assets are higher than current liabilities. In 2022, the Company's quick ratio was 4.59 times, after providing financial assistance to MML in the amount of USD 12.50 million, as a result, the company will have quick ratio equal to 4.42 times. Therefore, entering this transaction will not affect the highly liquid assets and the quick ratio of the Company significantly. Therefore, the Company has relatively low risk from entering into the transaction and does not cause damage to the Company's financial position. Moreover, the Company will generate returns in the form of interest more than depositing money with a financial institution or investing in other short-term investments.

### 1.2.2 History of providing financial assistance to the Company

On 27 December 2021, the Company provided financial assistance to MML, which is a non-revolving loan amount not exceeding USD 5.00 million. The interest rate is equal to 7.00 percent per year with the purpose of providing financial assistance to be used as working capital for MML's operations.

In addition, the Company provided additional financial assistance to MML on 16 December 2022 and 10 February 2023, which is a non-revolving loan amount not exceeding USD 4 million and USD 7.50 million, respectively. The interest rate is equal to 7.00 percent per year, which is the interest rate plus the company's cost of finance. The objective is to provide financial assistance to be used as working capital for MML's operations.

The Company has a history of providing financial assistance to MML in the total amount of USD 16.50 million, of which MML will repay the loan to the Company in the amount of USD 5.00 million within June 2023, USD 4.00 million within December 2023, and USD 7.50 million within February 2025.



### 1.2.3 Repayment plan for entering into this transaction

According to the conditions in the draft credit agreement between the Company and MML, which determines the repayment plan for financial assistance of this transaction. The total amount does not exceed USD 12.50 million, equivalent to THB 433.59 million, which is divided into 4 installments as follows:

Table of repayment schedule for financial assistance of this transaction

Date	Amount (USD Million)	Equivalent Amount (THB Million) <sup>1/</sup>
31 December 2023	5.00	173.44
30 June 2024	2.00	69.37
31 December 2024	2.00	69.37
30 June 2025	3.50	121.40
<b>Total</b>	<b>12.50</b>	<b>433.59</b>

Source: Draft credit agreement between the Company and MML.

Note: 1/ The exchange rate of USD 1 equal to THB 34.687 announced by the Bank of Thailand on 7 March 2023.

### 1.2.4 Impacts from financial assistance to the Company

According to the Company's financial statement in 2022, the company has highly liquid assets of THB 4,476.87 million, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets, which is sufficient to provide the financial assistance to MML in the amount of USD 12.50 million or equivalent to THB 433.59 million. (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023). As a result, the Company will have highly liquid assets in the amount of THB 4,038.32 million after providing the financial assistance. Moreover, the Company's quick ratios are higher than 1.00 times from 2018 to 2022, which means the Company's current assets are higher than the Company's current liabilities over the period. In 2022, the Company has quick ratio of 4.59 times. As a result, the Company will have quick ratio of 4.42 times after providing the financial assistance.

In addition, the company's total assets were THB 36,698.20 million in 2022, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets. The Company had total liabilities of THB 4,727.04 million, which have interest bearing debt in the amount of THB 4,580.75 million. The interest-bearing debt includes short-term borrowing from related parties of THB 378.73 million, debentures of THB 4,191.80 million, and lease liabilities of THB 10.22 million. Hence, the ratio of interest-bearing debt to assets 0.13 times, which mean the Company are able to repay the interest-bearing debt during the loan periods.

Therefore, the Company has low risk to provide the financial assistance to MML and it may not affect to financial position significantly. Moreover, the IFA has considered the default risk that MML are not unable to make the required payments on their debt obligation. The company still



has the ability to manage cash flow to repay interest-bearing debts and interests, operating expenses and future investment plan.

### **1.2.5 Analysis of MML's loan repayment ability**

Due to entering into this financial assistance transaction, there is a loan period of not more than 3 years from the date of such transaction. Therefore, the IFA has estimated the performance of MML between 2023 and 2025, which is the period of the transaction until the maturity date. The termination of the loan agreement between the Company and MML was determined by analyzing information from MML's financial statements audited by the auditor, KPMG Phoomchai Audit Ltd., for the period ended December 31, 2018 to December 31, 2022 to assess MML's loan repayment capability. According to MML's consolidated financial statements for the year 2022, MML's revenue from services was USD 223.94 million, an increase of USD 112.34 million or an increase of 100.67 percent from the year 2021, with revenue from services equal to USD 111.59 million. Due to the relaxation of quarantine measures to prevent the spread of COVID-1, including MML began to recognize revenue from cable lay service, and MML has more Transportation & Installation and Decommissioning (T&I) work. In 2022, MML's performance turned around with a profit of USD 0.34 million or equivalent to a net profit margin of 0.15 percent and a debt service coverage ratio (DSCR) of 1.00 times, indicating that MML has sufficient cash flow to meet its annual debt obligations, including principal repayments. The IFA views that the operating results of MML tend to improve. In addition, most of MML's customers are world-renowned in the oil and gas industry and are employed on a long-term and ongoing basis. Because MML has a long experience in operations, it can operate according to the customer's requirements and strictly comply with the rules and conditions of the customer and the operating country. Furthermore, the growth of the industry tends to improve, offshore oil and gas investment expenditure is projected to grow at a CAGR of 6.50 percent from 2021 to 2025 based on the Oil & Gas Global Capex Outlook. When considering together with the above cash flow projections, if MML is able to manage and achieve the targeted performance, it is found that MML has the ability to pay interest from 2023 - 2025 and has the ability to repay the principal of the loan from the Company with the total amount of USD 29.00 million, which consists of the past loan from the Company of USD 16.50 million and a loan from this transaction of USD 12.50 million, which is in accordance with the planned loan repayment plan. After repayment of principal to the Company in 2025, MML still has a net cash balance after debt repayment of USD 75.19 million or equivalent to THB 2,608.21 million (USD 1 equals THB 34.687, referring to the foreign exchange rate announced by the Bank of Thailand on March 7, 2023).

### **1.2.6 Appropriateness of the interest rates for entering into the transaction**

By considering the comparison of the rate of return on each type of investments which consist of 1) savings interest rates of financial institutions, 2) 2-year fixed deposit rates of financial institutions, 3) government bond yields (0.5 - 3 years), and 4) yields of Investment in corporate bonds with a





maturity of not more than 3 years, and also including the comparison of financial costs of the Company and MML, and comparisons with financial institutions' returns on lending to prime customers (MLR), the IFA has an opinion that the rate of return from financial assistance to MML, which has an interest rate of 7.00 percent per year, is appropriate. The reason is that there is a higher rate of return than the rate of return for each type of investment, financial cost from issuing debentures of the Company, and the returns of financial institutions in providing term loan to prime customers (MLR) which is shown as following:

**Table of the summary of comparing the rates of return on various types of investments  
and financial costs of the Company**

Types of investments and financial costs	Interest Rate (Percent per Year)	Compared with the rate of return from this transaction
<b>Comparison with depositing money in a bank account or a low-risk investment</b>		
Savings deposit rates of financial institutions <sup>1/</sup>	0.10 – 2.00	Lower
2-year fixed deposit rates of financial institutions <sup>1/</sup>	0.20 – 1.75	Lower
Thai Government Bond Yield 0.5 – 3 years <sup>2/</sup>	1.67 – 1.96	Lower
<b>Comparison to investing in corporate bonds</b>		
Corporate Bond Yield with a maturity of not more than 3 years <sup>2/</sup>	3.92	Lower
<b>Comparison with financial cost of the Company and MML</b>		
Interest rate of the Company's debentures <sup>3/</sup>	4.40 – 5.10	Lower
Interest rates on loans from financial institutions of MML <sup>4/</sup>	7.38 – 8.15	Higher
<b>Comparison with lending rates of financial institutions</b>		
Financial institution loan interest rate (MLR) <sup>1/</sup>	6.35 – 6.57	Lower
<b>Interest rate of financial assistance to MML</b>	<b>7.00</b>	

Source: 1/ The Bank of Thailand as of 8 March 2023

2/ The Thai Bond Market Association as of 8 March 2023

3/ the Company

4/ The notes to financial statements for the year 2022 of MML

### 1.2.7 Appropriateness of the conditions for entering into the transaction

The IFA considers that the conditions for the transaction are reasonable and appropriate since the loan facility and the objective of this transaction are consistent with MML's expenses that will occur for the year 2023 in the amount of USD 20.00 million while MML has already received USD 7.50 million in February 2023, thus, the balance was 12.50 USD million which is the same amount as the transaction of financial assistance to MML this time. The expected expenses consist of: 1) expenses for dry docking in 3 subsea vessels in the amount of USD 8.20 million 2) operating expenses of the Mubadala project in the amount of USD 10.00 million and 3) expenses for other working capital and provision in the amount of USD 1.80 million.

When considering the use of source of funds which comes from internal cash flow of the Company. As of 31 December 2022, the Company has cash and cash equivalents in the amount



of THB 3,263.17 million and other financial assets in the amount of THB 1,213.69 million according to the separate financial statements, when considering together with the ability to pay interest-bearing debt and future investment plans of the Company, the IFA found that the Company still be able to pay off debt and carry out investment plans from its assets and income from dividends received. In addition, the repayment schedule is in line with the debt repayment ability of MML. Although this financial assistance to MML has no collateral, based on the projections of the IFA on the performance of MML between 2023 - 2025, which is during the period of transactions until the end of the loan agreement between the Company and MML, MML will have revenue in 2023 - 2025 equals to USD 225.75 million, USD 236.01 million, and USD 266.36 million, respectively, and gross profit in 2023 - 2025 equals USD 41.94 million, USD 45.10 million, and USD 52.01 million, respectively, thus, it was found that MML will have the ability to pay debts of the business from 2023 - 2025 because there is still cash flow after debt repayment which after repayment of the loan to the Company in 2025, MML still has a net cash balance after debt repayment equal to USD 75.19 million or equivalent to THB 2,608.21 million (USD 1 equals THB 34.687, referring to the foreign exchange rate announced by the Bank of Thailand on 7 March 2023). Also, when conducting a sensitivity analysis of cash flow, it was found that if revenue from services excluding the backlog decreased by 20 percent or if the gross profit decreases by 20.00 percent from the base case according to the IFA's projection, MML will still be able to repay the loan from the Company in this transaction and the loan borrowed from the Company within the specified period. Furthermore, the Company holds 58.22 percent of MML total shares issued and paid-up. Therefore, the Company has control over voting rights in MML more than 50.00 percent and has control over majority of votes in the shareholders' meeting of MML. As a result, the Company will be able to know the financial status of MML as well as closely monitor factors that may cause the risk of debt default.

### 1.2.8 Advantages and disadvantages for entering into the transaction

#### Advantages for entering into the transaction

By entering into the transaction of financial assistance to MML in the total amount not exceeding USD 12.50 million, equivalent to THB 433.59 million, the Company will receive interest at the rate of 7.00 percent per year which is higher than the rate of return from each type of investments which consists of 1) Savings deposit rates of financial institutions at 0.10 - 2.00 percent per year 2) 2-year fixed deposit rates of financial institutions at 0.20 - 1.75 percent per year 3) Thai government bond yields with maturity of 0.5 - 3 years at 1.67 - 1.96 percent per year and 4) the rate of return of investing in corporate bonds with maturity not exceeding 3 years at 3.92 percent per year, including higher than the company's financial cost, and the returns of financial institutions in granting credit term to prime customers (MLR). Moreover, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce



dependence on subsea installation engineering, offshore decommissioning, inspection, repair, and maintenance of subsea infrastructure.

#### Disadvantages for entering into the transaction

By entering this transaction, the Company will provide financial assistance to MML in the amount of 12.50 MUSD, equivalent to 433.59 MTHB (1 USD = 34.687 THB based on foreign exchange rates announced by the Bank of Thailand on March 8, 2023), which resulted in a decrease in cash flow for the Company's operating activity. From the separate financial statements ended 31 December 2022, the Company had cash and cash equivalents of THB 3,263.17 million and other current financial assets of THB 1,213.69 million, totaling THB 4,476.87 million, couples with the consideration of ability to repay interest bearing debt and future investment plans of the Company, the IFA found that the Company still be able to pay off debt and carry out investment plans from the Company's assets and income from dividends. Furthermore, if considering the financial status of the Company in 2022, the Company has total assets of THB 36,698.20 million and total liabilities of THB 4,727.04 million. So, the debt to total assets ratio is 0.13 times, which is sufficient to repay interest-bearing debts that will occur within the year 2023 and in the future. Therefore, entering this transaction, the Company has sufficient cash for providing financial assistance and affects the Company's financial position insignificantly. In conclusion, the Company has relatively low risk from entering the transaction and does not cause damage to the Company's financial position in any way significant.

Moreover, entering this transaction, the Company will receive the rate of return of 7.00 percent per year which may causes the Company to lose the opportunity to invest cash in any type of investment in the future that returns more than 7.00 percent per year. However, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure that reduce the dependence on subsea installation engineering, offshore decommissioning, inspection, repair, and maintenance of subsea infrastructure. In addition, the IFA has considered the impact of this financial assistance on the Company's ability to repay interest-bearing debts and future investment plans which found that the Company is still able to pay debts and carry out investment plans from the Company's assets and dividend income.



### 1.2.9 Advantages and disadvantages for entering into the connected transaction compared to the third party

#### Advantages for entering the connected transaction compared to the third party

By entering the transaction with the Company will allow MML to receive working capital for the year 2023 as expected timeline. Since the Company is MML's major shareholder holding 58.22 percent of total shares issued and paid-up both directly and indirectly. As well as having major shareholders and common directors with the Company who knows and understands MML's business well and sees the potential for MML's industry and business growth. In addition, obtaining a loan from a financial institution requires more than 6 months of approval time which will not be able to support the need for working capital of MML within the specified period.

Furthermore, the Company is a major shareholder of MML, directly and indirectly holding 58.22 percent of total shares issued and paid-up. MML also has major shareholders and common directors with the Company. So, the Company can follow up the operation and the financial status of MML, as well as closely monitoring factors that may cause the risk of debt default. It will be more flexible in negotiations and coordination between them than third parties.

#### Disadvantages for entering into the connected transaction compared to the third party

This financial assistance transaction is considered a connected transaction because it is a transaction with a subsidiary that has major shareholders and common directors with the Company. This may cause a conflict of interest in terms of negotiating for a waiver of various repayment conditions compared to third parties if MML does not comply with the contract conditions or unable to pay principal and/or interest according to the debt repayment plan for this transaction. The company should operate in accordance with the policy of related party transactions of the Company strictly for transparency and to eliminate such potential conflicts of interest.

### 1.2.10 Risk of entering into the transaction

#### Risk before entering into the transaction

Due to the size of the transaction, which is considered a connected transaction, the Company is obligated to hold a shareholders' meeting of the Company to request approval of entering a transaction. This must receive a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote without counting the shareholders' equity. Therefore, there is a risk that without approval from the shareholders' meeting, the Company will not be able to enter the transaction.

#### Risk after entering into the transaction

Due to the current volatility in oil and natural gas prices, it may enable entrepreneurs in the oil and natural gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected as well, which results in unexpected in MML's



operating results. This may cause MML to be unable to repay principal and interest to the Company. However, based on the projection of the IFA on the performance of MML between 2023 - 2025, which is the period of this related transactions until the maturity date of the loan agreement between the Company and MML, the result is that MML has the ability for debt repayment from 2023 - 2025. Moreover, after repayment of the loan to the Company in 2025, MML still has a net cash balance after debt repayment of USD 75.19 million. or equivalent to THB 2,608.21 million (USD 1 = THB 34.687, referring to the foreign exchange rate (announced by the Bank of Thailand on 7 March 2023)). In addition, when analyzing the sensitivity of MML's cash flow, it was found that even though revenue from services excluding backlog decreased by 20.00 percent or gross profit decreased by 20.00 percent from the base case, MML still can repay the loan from the Company in this transaction and the loan borrowed from the Company with the whole amount.

In addition, MML has world-renowned partners in the oil and natural gas industry, for which MML is recognized from its expertise and long experience as well as the work delivered, thus, MML has been employed for a long time and continuously. Therefore, it can be believed that it will continue to receive work related to the oil and natural gas industry business. In addition, MML has an interest-bearing debt to equity Ratio of 0.44 times in 2022 which means MML still has the potential to borrow money to repay the loan to the Company. In the worst case, in which MML is unable to repay the loan to the Company, the Company will still have a liquid assets ratio of 4.42 times, decreasing from 4.59 times in 2022, and still has a debt to total assets ratio of 0.13 times, which is sufficient to repay the debentures due in 2022, operating expenses, and future investments. So, if there is a default on debt payment, it will not affect the financial position of the Company significantly. In addition, it does not affect the cash flow management of the Company in any way.



## Summary of Opinion of the Independent Financial Advisor

The IFA considers that MML has working capital requirements for the year 2023 in the amount of USD 20.00 million for the uses of expected expenses consist of: 1) expenses for dry docking in 3 subsea vessels 2) operating expenses of the Mubadala project and 3) expenses for other working capital and provision. However, the request of credit facilities with a financial institution for working capital cannot be approved within the required period. Therefore, it is necessary for MML to request financial assistance from the Company. In this regard, the Board of Directors' Meeting No. 1/2023 held on January 20, 2023 resolved to approve in principle financial assistance to MML in the amount of USD 7.50 million, equivalent to THB 252.73 million, and another USD 12.50 million, equivalent to 433.59 million baht for this transaction which is a non-revolving loan at an interest rate of 7.00 percent without collateral. Consequently, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair, and maintenance of subsea infrastructure.

Moreover, the conditions for the transaction are reasonable and appropriate since the loan facility and the objective of this transaction are consistent with MML's expenses that will occur for the year 2023 in the amount of USD 20.00 million while MML has already received USD 7.50 million in February 2023, thus, the balance was 12.50 USD million which is the same amount as the transaction of financial assistance to MML this time. In addition, the repayment schedule is in line with the debt repayment ability of MML. Although this financial assistance to MML has no collateral, based on the projections of the IFA on the performance of MML between 2023 – 2025 and the sensitivity analysis of cash flow by reducing the revenue from services excluding the backlog by 20.00 percent or reducing the gross profit by 20.00 percent from the base case according to the IFA's projection MML, MML will still be able to repay the loan from the Company in this transaction and the loan borrowed from the Company within the specified period. Furthermore, the Company holds 58.22 percent of MML total shares issued and paid-up. Therefore, the Company has control over voting rights in MML more than 50.00 percent and has control over majority of votes in the shareholders' meeting of MML. As a result, the Company will be able to know the financial status of MML as well as closely monitor factors that may cause the risk of debt default. Besides, when considering the interest rates from financial assistance to MML of this transaction at 7.00 percent per year, interest rate that the Company earns from this transaction is appropriate because its yields higher returns than the rate of return on each type of investments, financial costs of the Company and MML, and financial institutions' returns on lending to prime customers (MLR).



Nevertheless, entering this transaction may cause the Company a decrease in operating cash flow but still enough to provide the financial assistance of this transaction. And when considering the impact on the financial position of the Company, it was found that the Company had relatively low risks from entering into the transaction and did not cause damage to the Company's financial position in any way significant. In addition, the IFA has considered the ability to repay interest-bearing debt and future investment plans of the Company and found that the Company still be able to pay off debt and carry out investment plans from the Company's assets and income from dividends. This transaction will provide MML with more liquidity and enable MML to run its business smoothly and expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure.

Even though after entering the transaction, the Company may have a risk of default on debt payment due to the risk factors and uncertainties of the industry. However, based on the projection of MML's performance between 2023 - 2025 and the sensitivity analysis of cash flows mentioned above, MML still has the ability to pay debts. Besides, MML has world-renowned partners in the oil and natural gas industry, for which MML is recognized from its expertise and long experience as well as the work delivered, thus, MML has been employed for a long time and continuously. In the worst case, in which MML is unable to repay the loan to the Company, the Company will still have a liquid assets ratio of 4.42 times, decreasing from 4.59 times in 2022, and still has a debt to total assets ratio of 0.13 times, which is sufficient to repay the debentures due in 2022, operating expenses, and future investments. So, if there is a default on debt payment, it will not affect the financial position of the Company significantly. In addition, it does not affect the cash flow management of the Company in any way.

**Therefore, the Independent Financial Advisor has an opinion that the shareholders should consider approving the financial assistance to MML in the non-revolving loan facility in the amount not exceeding USD 12.50 million, equivalent to THB 433.59 million.**

However, the decision to vote for approval of this transaction is mainly at the discretion of the Company's shareholders. The shareholders should study additional information in the documents attached to the invitation letter to the shareholders' meeting in order to use discretion for consideration in making decisions to pass a resolution appropriately.



## 2. Characteristics and details of the transaction

### 2.1 Background and purpose of the transaction

With reference to Thoresen Thai Agencies Public Company Limited (“TTA” or “the Company”) in its Board of Directors’ Meeting No. 03/2023 held on 8 March 2023 passed the resolution that it deemed appropriate to purpose the 2023 Annual General Meeting of Shareholders of the Company to consider and approve providing financial assistance in the form of loan to Mermaid Maritime Public Company Limited (“MML”) at USD 12.50 million or equal to THB 433.59 million (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023). MML is listed company in Singapore that the Company holds 58.22 percent of all issued and paid-up shares. MML needs fund for working capital in 2023 in the amount of USD 20.00 million (MML has already received USD 7.50 million in February 2023). The remaining amount is USD 12.50 million. The reason for the request for financial assistance is from MML, which requires working capital for operations during May - June 2023, in which the request for a loan from a financial institution takes more than 6 months to get approval. Moreover, the fluctuations in oil and natural gas prices, which enables entrepreneurs in the oil and natural gas production business to improve their investment plans and operational plans. Consequently, MML's subsea engineering services will continue to be affected. From those risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period. Therefore, MML has necessity to obtain financial assistance from the Company. The details of MML's working capital expenses in the amount of USD 20.00 million are as follows:

- 1) Expenses for dry docking in 3 subsea vessels, totaling USD 8.20 million, or equal to THB 433.59 million in June 2023, that the vessel will enable to expand its business including cable laying and engineering T&I and decommissioning projects. The details of the vessels are as follows.
  - Mermaid Asiana is built for DP2 dive support and equipped with a built in 12-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 100 personnel.
  - Mermaid Enduer is built for DP2 dive support and 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.
  - Van Gogh is built for DP2 dive support and equipped with a built in 18-man single bell saturation diving system complete with a self-propelled hyperbaric lifeboat. The vessel has a 150-tonne active heave-compensated knuckle boom crane and accommodation for 120 personnel.
- 2) Advanced payments for subsea equipment, transportation, and personnel in Mubadala project, which MML has been contracted for construction installation and testing of oil pipelines for oil wells in the Gulf of Thailand in the amount of USD 10.00 million. The payments will be used in May 2023





and will be recognized as revenue in the 4<sup>th</sup> quarter of 2023. This will help MML expand its customer base for its subsea cable laying business in those area.

- 3) Expenses for other working capital and contingency reserve of USD 1.80 million.

However, the Board of Directors' Meeting No. 1/2023 held on 20 January 2023 resolved to approve in financial assistance to MML in the amount of USD 7.50 million, equivalent to THB 252.73 million (USD 1 = THB 33.697, referring to the rate of foreign exchange announced by the Bank of Thailand on 9 February 2023) whereby MML has used the money for dry docking in 3 vessels, the remaining amount is USD 12.50 million, equivalent to THB 433.59 million (USD 1 is equal to THB 34.687, referring to foreign exchange rates announced by the Bank of Thailand on 7 March 2023) will be used as the rest of working capital. Therefore, MML will need the fund from the Company. The fund from the Company comes from cash and cash equivalents and other current financial assets. which is sufficient to provide such financial assistance.

This transaction is considered as a connected transaction on offering financial assistance according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. Total value of the transaction is approximately USD 13.66 million (principal and interest over the loan period) or equal to approximately THB 473.99 million (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023), or equivalent to approximately 2.12 percent of the Company's Net Tangible Assets ("NTA") according to the latest consolidated financial statements as of 31 December 2022.

When combining the size of connected transactions undertaken by the Company during the past six months based on the aforementioned rules and regulations, this results in the total value of transactions is 3.84 percent of NTA, exceeding 3 percent of the Company's NTA according to the latest consolidated financial statements as of 31 December 2022; therefore, the Company is required to:

- (a) disclose the information of the Transaction to the Stock Exchange of Thailand;
- (b) appoint an independent financial advisor, whereby the Company appointed Avantgarde Capital Company Limited as an independent financial advisor to provide an opinion on the Company's connected transaction to the shareholders for consideration and approval of the Transaction and deliver such opinion to the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"); and
- (c) seek approval for entering into the Company's connected transaction from a shareholders' meeting with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such a meeting to the shareholders at least 14 days prior to the meeting date.



## 2.2 Date of Transaction

The Company will be able to enter into the transaction after obtaining approval from the 2023 e-AGM. The entering into the transaction and the amount of each financial assistance will be determined by MML's funding requirement and the Company's ability to provide financial assistance at that time.

## 2.3 Contract parties and their relationship

Financial Assistance Provider	The Company
Financial Assistance Receiver	MML
Relationship	<p>The company holds 58.22 percent in aggregation of both direct and indirect of the total shares issued and paid-up. (Holding directly 49.53 percent and indirectly, through two of its 99.99 and 100 percent owned subsidiaries, 1.44 percent through Athene Holdings Ltd. ("ATH") and 7.25 percent through Soleado Holdings Pte. Ltd. ("SOH") respectively).</p> <p>Major shareholders and some directors of the Company are shareholders and director of MML.</p>



List of directors who are related to the connected transaction are shown below.

Name	The Company (as of 28 February 2023) <sup>1/</sup>	MML (as of 31 December 2022) <sup>2/</sup>
Mr. Chalermchai Mahagitsiri (Ms. Ausana Mahagitsiri's brother and Mr. Kamolsut Dabbaransi's brother-in-law)	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● Member of Executive Committee</li> <li>● Chairman of Investment Committee</li> <li>● Director</li> <li>● Hold the Company both directly and indirectly 23.47 percent</li> </ul>	<ul style="list-style-type: none"> <li>● Non-Executive Director</li> <li>● Member of Executive Committee</li> <li>● Member of Risk Management Committee</li> <li>● Hold the Company both directly and indirectly 24.31 percent</li> </ul>
Mr. Prasert Bunsumpun	<ul style="list-style-type: none"> <li>● Chairman of the Board</li> <li>● Non-Executive Director</li> <li>● Chairman of Executive Committee</li> <li>● Hold the Company directly 0.01 percent</li> </ul>	<ul style="list-style-type: none"> <li>● Non-Executive Director</li> <li>● Chairman of the Board</li> <li>● Chairman of Executive Committee</li> <li>● Hold the Company both directly and indirectly 0.006 percent</li> </ul>
Mr. Jean Pual Thevenin	<ul style="list-style-type: none"> <li>● Non-Executive Director</li> <li>● Member of Executive Committee</li> <li>● Member of Risk Management Committee</li> <li>● Member of Investment Committee</li> <li>● Member of Corporate Governance Committee</li> </ul>	<ul style="list-style-type: none"> <li>● Non-Executive Director</li> <li>● Member of Executive Committee</li> <li>● Chairman of Risk Management Committee</li> <li>● Member of Audit Committee</li> <li>● Member of Nomination Committee</li> <li>● Member of Remuneration Committee</li> </ul>
Ms. Ausana Mahagitsiri (Mr. Chalermchai Mahagitsiri's sister and Mr. Kamolsut Dabbaransi's spouse)	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● Deputy Chief Executive Officer</li> <li>● Member of Executive Committee</li> <li>● Member of Nomination and Remuneration Committee</li> <li>● Member of Corporate Governance Committee</li> <li>● Hold the Company directly 5.48 percent</li> </ul>	<ul style="list-style-type: none"> <li>● Hold MML both directly and indirectly 7.69 percent</li> </ul>
Mr. Kamolsut Dabbaransi (Ms. Ausana Mahagitsiri's spouse and Mr. Chalermchai Mahagitsiri's brother-in-law)	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● Senior Executive Vice President, Head of Food &amp; Beverage</li> <li>● Chairman of Sustainable Development Committee</li> </ul>	

Note 1/ Source: the company and the details appear in Appendix 4.1

2/ Source: MML and the details appear in Appendix 4.2

According to the Board of Directors Meeting No. 03/2023 held on 8 March 2023, the list directors above have conflict of the interest in entering into the transaction. Those persons did not attend the meeting and did not have rights to vote for this agenda.



Mr. Chalermchai Mahagitsiri may have conflicts of interest hold more than 10.00 percent of MML since he has high credential experience and knowledge in marine transportation and offshore services businesses as well as management experience in joint ventures with leading international companies such as 1st ranked company in global food and beverage manufacturers and the world's sixth-ranked steel producer in South Korea. Hence, Mr. Chalermchai Mahagitsiri's expertise and his international business relations are important success factor for MML to build credential and gain trust from international counterparties in various regions of the world including the Middle East, North Africa, and Southeast Asia. Moreover, MML is a listed company on the Singapore Exchange. Mr. Chalermchai's shareholding in MML provides confidence to stakeholders, local and international investors, and joint venture counterparties. For example, a joint venture under MML's subsidiary successfully developed robotic and artificial intelligence technologies for subsea IRM services. This technology will increase company core competency to compete in subsea IRM services business more effectively and resulted in earnings growth.

## 2.4 Type and size of the transaction

The financial assistance transaction is considered a connected transaction as the Company and MML have common directors and shareholders. This transaction is considered as a connected transaction on offering financial assistance according to the Notification of Capital Market Supervisory Board No.TorChor 21/2551 Re: Rules on Connected Transactions, and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 and its amendments (together called "Announcement of Connected Transactions") The key components as follow:

1. Being a connected person: Since the company holds 58.22 percent of total shares in MML and there are 5 connected persons consisting of Mr. Chalermchai Mahagitsiri, Mr. Prasert Bunsumpun, Mr. Jean Pual Thevenin, Ms. Ausana Mahagitsiri, and Mr. Kamolsut Dabbaransi, whom will be called "directors with conflicts of interests" under the definition of a connected persons.
2. Calculation of the connected transaction per the details below: this transaction size is USD 13.66 million or equal to THB 473.99 million, consisting of USD 12.50 million or equal to THB 433.59 million in principal and USD 1.64 million or equal to THB 40.40 million in interest (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023), equivalent to 2.12 percent of the Company's Net Tangible Assets (NTA). The details are shown below.

Transaction	Guideline	Size
Financial assistance to MML	Principal and Interest NTA of the Company <sup>1/</sup>	= $433.59 + 40.40$ = 2.12 percent 22,338.00

Note Net total assets (NTA) = Total assets – Intangible assets – Total liability – Non-controlling interests (if any)



**Connected Transaction over the past 6 months:** The total transaction size over the past 6 months prior to the date of board of directors' meeting No. 03/2023 held on 8 March 2023 is 3.85 percent. The details are shown below.

Transaction over the past 6 months	Date	Transaction Size (percent)
1. Financial assistance to MML in the amount of USD 4.00 million	16 December 2022	0.61
2. Financial assistance to MML in the amount of USD 7.50 million	10 February 2023	1.12
3. Financial assistance to MML in the amount of USD 12.50 million	27 February 2023 (This transaction)	2.12
<b>Total</b>		<b>3.85</b>

In this regard, the total value of the loan with its interest over the loan period for this transaction is no more than THB 473.99 million, which has the transaction size of 2.12 percent of NTA according to the audited consolidated financial statements of the Company and its subsidiaries ended 21 December 2022 by KPMG Phoomchai Audit.co.,ltd. When combining the size of connected transaction size over the past 6 months, this results in the total value of transaction is 3.85 percent. therefore, the Company is required to:

- (a) disclose the information of the Transaction to the Stock Exchange of Thailand;
- (b) appoint an independent financial advisor, whereby the Company appointed Avantgarde Capital Company Limited as an independent financial advisor to provide an opinion on the Company's connected transaction to the shareholders for consideration and approval of the Transaction and deliver such opinion to the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"); and
- (c) seek approval for entering into the Company's connected transaction from a shareholders' meeting with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such a meeting to the shareholders at least 14 days prior to the meeting date.

## 2.5 Summary of key conditions and terms of entering into the transaction

Terms and Conditions	Details
<b>Credit parties</b>	The Company as a "Financial Assistance Provider" MML as a "Financial Assistance Receiver"



Terms and Conditions	Details																		
Credit details	Non-Revolving Loan not exceed USD 12.50 million or equals to THB 433.59 million <sup>1/</sup>																		
Objectives	To support working capital of MML																		
Interest	7.00 percent per annum which is TTA cost of fund plus risk premium. (The payment is made on the last business day in each quarter.)																		
Repayments	<p>Within 3 years. The company and MML have initially negotiated on the following payment plan:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Amount (million USD)</th> <th>Amount (million THB)<sup>1/</sup></th> </tr> </thead> <tbody> <tr> <td>31 December 2023</td> <td>5.00</td> <td>173.44</td> </tr> <tr> <td>30 June 2024</td> <td>2.00</td> <td>69.37</td> </tr> <tr> <td>31 December 2024</td> <td>2.00</td> <td>69.37</td> </tr> <tr> <td>30 June 2025</td> <td>3.50</td> <td>121.40</td> </tr> <tr> <td><b>Total</b></td> <td><b>12.50</b></td> <td><b>433.59</b></td> </tr> </tbody> </table>	Date	Amount (million USD)	Amount (million THB) <sup>1/</sup>	31 December 2023	5.00	173.44	30 June 2024	2.00	69.37	31 December 2024	2.00	69.37	30 June 2025	3.50	121.40	<b>Total</b>	<b>12.50</b>	<b>433.59</b>
Date	Amount (million USD)	Amount (million THB) <sup>1/</sup>																	
31 December 2023	5.00	173.44																	
30 June 2024	2.00	69.37																	
31 December 2024	2.00	69.37																	
30 June 2025	3.50	121.40																	
<b>Total</b>	<b>12.50</b>	<b>433.59</b>																	
Default interest rate	9.00 percent per annum																		
Collaterals	None																		
Conditions that may affect the rights of shareholders	None																		

Note <sup>1/</sup>USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023

## 2.6 Meeting attendance and voting in the meeting of the board of directors and interested directors

According to the Board of Directors Meeting No. 03/2023 held on 8 March 2023, there are 5 directors who have conflict of interest: of Mr. Chalermchai Mahagitsiri, Mr. Prasert Bunsumpun, Mr. Jean Pual Thevenin, Ms. Ausana Mahagitsiri, and Mr. Kamolsut Dabbaransi. Those persons did not attend the meeting and did not have rights to vote for this agenda.

## 2.7 Summary of Thoresen Thai Agencies Public Company Limited

Details appear in Appendix 4.1

## 2.8 Summary of Mermaid Maritime Public Company Limited

Details appear in Appendix 4.2



### 3. Appropriateness for entering into the transaction

#### 3.1 Objective and necessity of the transaction

MML provides offshore services focusing on engineering works that requires specially designed ships and equipment such as underwater diving equipment, remote control underwater vehicle and expertise which can be divided into the following: 1 ) Inspection, Repair and Maintenance or IRM 2) Cable Lay and 3) Transportation & Installation and Decommissioning or T&I and Decommissioning

For the objective of entering into the transaction of financial assistance to MML, a company listed on the Stock Exchange of Singapore and is a subsidiary of the Company holds 58.22 percent of all issued and paid-up shares, it is a necessary assistance to enable MML to use as working capital for the year 2023 in the amount of USD 20.00 million (received USD 7.50 million in February 2023) consists of 1) expenses for dry docking in 3 subsea vessels, 2) advanced payments for subsea equipment, transportation, and personnel in Mubadala project, and 3) expenses for other working capital and contingency reserve.

In this regard, the Board of Directors' Meeting No. 03/2023 held on 8 March 2023 resolved to propose to the Annual General Meeting of Shareholders to consider and approve the provision of financial assistance in the form of a non-current loan facility in the total amount not exceeding USD 12.50 million, equivalent to THB 433.59 million, to Mermaid Maritime Public Company Limited ("MML") for working capital for MML's operations with interest rate of 7.00 percent per year, which is the interest rate plus the risk margin of the company which has better returns than investing in deposits with financial institutions or other short-term investments. The Company expects that this transaction will enable MML to deploy submarine civil engineering support vessels and enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure. The objectives of the transaction can be summarized as follows:

- To enhance liquidity and increase flexibility for MML. Since MML is a subsidiary of the Company, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure.
- To create returns for the Company more than investing in deposits with financial institutions or other short-term investments. According to the Company's financial statement in 2022, the company has highly liquid assets of THB 4,476.87 million, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets, which is sufficient to provide the financial assistance to MML in the amount of USD 12.50 million or equivalent to THB 433.59 million. In addition, the Company's quick ratio is higher than 1.00 times in 2018 - 2022, that is, the



current assets are higher than current liabilities. In 2022, the Company's quick ratio was 4.59 times, after providing financial assistance to MML in the amount of USD 12.50 million, as a result, the company will have quick ratio equal to 4.42 times. Therefore, entering this transaction will not affect the highly liquid assets and the quick ratio of the Company significantly. Therefore, the Company has relatively low risk from entering into the transaction and does not cause damage to the Company's financial position. Moreover, the Company will generate returns in the form of interest more than depositing money with a financial institution or investing in other short-term investments.

### 3.2 History of providing financial assistance to the Company

During 1 January 2020 – 27 February 2023, the Company has the financial assistance transactions between the Company and MML as follows:

Lender	Borrower	Transaction Date	Amount of Assistance	Interest Rate	Repayment Date
The Company	MML	27 December 2021	USD 5.00 million	7.00 Percent	Last working day of June 2023
The Company	MML	16 December 2022	USD 4.00 million	7.00 Percent	On Call but within 12 months
The Company	MML	10 February 2023	USD 7.50 million	7.00 Percent	On call but within 24 months
<b>Total</b>			<b>USD 16.50 million</b>		

On 27 December 2021, the Company provided financial assistance to MML, which is a non-revolving loan amount not exceeding USD 5.00 million. The interest rate is equal to 7.00 percent per year with the purpose of providing financial assistance to be used as working capital for MML's operations.

In addition, the Company provided additional financial assistance to MML on 16 December 2022 and 10 February 2023, which is a non-revolving loan amount not exceeding USD 4 million and USD 7.50 million, respectively. The interest rate is equal to 7.00 percent per year, which is the interest rate plus the company's cost of finance. The objective is to provide financial assistance to be used as working capital for MML's operations.

The Company has a history of providing financial assistance to MML in the total amount of USD 16.50 million, of which MML will repay the loan to the Company in the amount of USD 5.00 million within June 2023, USD 4.00 million within December 2023, and USD 7.50 million within February 2025.

### 3.3 Repayment plan for entering into this transaction

According to the conditions in the draft credit agreement between the Company and MML, which determines the repayment plan for financial assistance of this transaction. The total amount does not exceed USD 12.50 million, equivalent to THB 433.59 million, which is divided into 4 installments as follows:





Table of repayment schedule for financial assistance of this transaction

Date	Amount (USD Million)	Equivalent Amount (THB Million) <sup>1/</sup>
31 December 2023	5.00	173.44
30 June 2024	2.00	69.37
31 December 2024	2.00	69.37
30 June 2025	3.50	121.40
<b>Total</b>	<b>12.50</b>	<b>433.59</b>

Source: Draft credit agreement between the Company and MML.

Note: 1/ The exchange rate of USD 1 equal to THB 34.687 announced by the Bank of Thailand on 7 March 2023.

### 3.4 Impacts from financial assistance to the Company

According to the Company's financial statement in 2022, the company has highly liquid assets of THB 4,476.87 million, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets, which is sufficient to provide the financial assistance to MML in the amount of USD 12.50 million or equivalent to THB 433.59 million. (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023). As a result, the Company will have highly liquid assets in the amount of THB 4,038.32 million after providing the financial assistance. Moreover, the Company's quick ratios are higher than 1.00 times from 2018 to 2022, which means the Company's current assets are higher than the Company's current liabilities over the period. In 2022, the Company has quick ratio of 4.59 times. As a result, the Company will have quick ratio of 4.42 times after providing the financial assistance.

In addition, the company's total assets were THB 36,698.20 million in 2022, consisting of THB 3,263.17 million in cash and cash equivalents and THB 1,213.69 million in other current financial assets. The Company had total liabilities of THB 4,727.04 million, which have interest bearing debt in the amount of THB 4,580.75 million. The interest-bearing debt includes short-term borrowing from related parties of THB 378.73 million, debentures of THB 4,191.80 million, and lease liabilities of THB 10.22 million. Hence, the ratio of interest-bearing debt to assets 0.13 times, which mean the Company are able to repay the interest-bearing debt during the loan periods.

Therefore, the Company has low risk to provide the financial assistance to MML and it may not affect to financial position significantly. Moreover, the IFA has considered the default risk that MML are not unable to make the required payments on their debt obligation. The company still has the ability to manage cash flow to repay interest-bearing debts and interests, operating expenses and future investment plan. The summary of key financial ratio as follows:

Key financial ratios (Separate financial statement) <sup>1</sup>	2018	2019	2020	2021	2022	After deducting this transaction
Total highly liquid assets (MTHB)	1,558.42	2,687.31	2,774.25	5,629.35	4,476.87	4,038.32
Quick ratio (times)	5.51	7.45	2.53	4.66	4.59	4.42



Key financial ratios (Separate financial statement) <sup>1</sup>	2018	2019	2020	2021	2022	After deducting this transaction
Total liabilities to total assets (times)	0.15	0.14	0.16	0.19	0.13	0.13

Note 1/ Details appear in Appendix 4.1

### 3.5 Analysis of MML's loan repayment ability

Due to entering into this financial assistance transaction, there is a loan period of not more than 3 years from the date of such transaction. Therefore, the IFA has estimated the performance of MML between 2023 and 2025, which is the period of the transaction until the maturity date. The termination of the loan agreement between the Company and MML was determined by analyzing information from MML's financial statements audited by the auditor, KPMG Phoomchai Audit Ltd., for the period ended December 31, 2018 to December 31, 2022, including references to information, documents, evidence, and news that are publicly disclosed, and MML's management interview to assess MML's loan repayment capability based on the details of the following assumptions:

#### Assumptions

Items	Assumption details																																										
(1) Revenue from services	<p>Revenue from services consists of 1) Revenue from Inspection, Repair and Maintenance (IRM), 2) Revenue from Cable Lay service, and 3) Revenue from Transportation &amp; Installation and Decommissioning or T&amp;I and Decommissioning.</p> <p>The IFA has examined the employment contract information and found that most of MML's customers are world-renowned in the oil and gas industry and are employed on a long-term and ongoing basis. Because MML has a long experience in operations, it can operate according to the customer's requirements and strictly comply with the rules and conditions of the customer and the operating country. The employment contract ranges from 3 months to 24 months or more, depending on the risks of the industry and the scope of work received. The IFA has examined the backlog and revenue from services in the past 5 years of MML as follows:</p> <table border="1"> <thead> <tr> <th>Unit: USD Million</th> <th>2018A</th> <th>2019A</th> <th>2020A</th> <th>2021A</th> <th>2022A</th> </tr> </thead> <tbody> <tr> <td><b>Total backlog value</b></td> <td></td> <td><b>94.77</b></td> <td><b>109.01</b></td> <td><b>106.89</b></td> <td><b>190.10</b></td> </tr> <tr> <td colspan="6" style="text-align: center;"><b>Revenue from services</b></td> </tr> <tr> <td>IRM</td> <td>94.76</td> <td>105.93</td> <td>83.78</td> <td>82.27</td> <td>113.68</td> </tr> <tr> <td>Cable Lay</td> <td></td> <td>-</td> <td>-</td> <td>22.07</td> <td>53.07</td> </tr> <tr> <td>T&amp;I</td> <td></td> <td>-</td> <td>-</td> <td>7.25</td> <td>57.19</td> </tr> <tr> <td><b>Total revenue from services</b></td> <td><b>94.76</b></td> <td><b>105.93</b></td> <td><b>83.78</b></td> <td><b>111.59</b></td> <td><b>223.94</b></td> </tr> </tbody> </table> <p>MML currently has a signed backlog value and will be recognized as revenue in the future. Details in 2023 - 2025 are as follows:</p>	Unit: USD Million	2018A	2019A	2020A	2021A	2022A	<b>Total backlog value</b>		<b>94.77</b>	<b>109.01</b>	<b>106.89</b>	<b>190.10</b>	<b>Revenue from services</b>						IRM	94.76	105.93	83.78	82.27	113.68	Cable Lay		-	-	22.07	53.07	T&I		-	-	7.25	57.19	<b>Total revenue from services</b>	<b>94.76</b>	<b>105.93</b>	<b>83.78</b>	<b>111.59</b>	<b>223.94</b>
Unit: USD Million	2018A	2019A	2020A	2021A	2022A																																						
<b>Total backlog value</b>		<b>94.77</b>	<b>109.01</b>	<b>106.89</b>	<b>190.10</b>																																						
<b>Revenue from services</b>																																											
IRM	94.76	105.93	83.78	82.27	113.68																																						
Cable Lay		-	-	22.07	53.07																																						
T&I		-	-	7.25	57.19																																						
<b>Total revenue from services</b>	<b>94.76</b>	<b>105.93</b>	<b>83.78</b>	<b>111.59</b>	<b>223.94</b>																																						



Items	Assumption details			
	Unit: USD Million	2023F	2024F	2025F
	Backlog value			
	IRM	122.48	60.96	58.04
	Cable Lay	27.31	-	-
	T&I	51.99	-	-
	<b>Total backlog value</b>	<b>201.79</b>	<b>60.96</b>	<b>58.04</b>
	Revenue from services			
	IRM	124.30	125.33	135.86
	Cable Lay	58.25	59.00	66.00
	T&I	43.20	51.68	64.50
	<b>Total revenue from services</b>	<b>225.75</b>	<b>236.01</b>	<b>266.36</b>
	<p>From the above table, MML's backlog tends to increase steadily every year, which increased from USD 94.77 million in 2019 to USD 190.10 million in 2022 or a CAGR of 26.12 percent as MML has expanded its business in the decommissioning services market. MML therefore established an agency that provides Transportation &amp; Installation and Decommissioning (T&amp;I). In addition, MML provides construction and installation services, commissioning, cable work and subsea pipe laying projects. By starting to recognize revenue in 2021, it can be seen that revenue from MML's services tends to grow between 2020 - 2022 equal to 63.49 percent.</p> <p>Based on MML's projection, the compound annual growth rate (CAGR) of service revenue between 2022 - 2025 is equal to 5.95 percent, with positive factors from business expansion in the group of cable laying services and Transportation &amp; Installation and Decommissioning (T&amp;I) services mentioned above. For cable laying service projects, MML operates in South Africa, where there are few competitors, MML has a high chance of bidding for the project. As for the Transportation &amp; Installation and Decommissioning (T&amp;I) services were positive as the Minister of Energy issued ministerial regulations to permanently close and abandon wells, demolish, remove, relocate, or destroy unused marine structures such as production platforms, gas combustion platforms, or other platforms necessary for the production, storage, or transportation of petroleum. Currently, there are 410 oil rigs to be dismantled. In addition, for inspection, repair, and maintenance (IRM) projects, MML's major revenue comes from its major customers which is an oil producer in the Middle East region under a long-term annual service contract through a joint venture established between MML and a local partner in the Middle East, MML has always been renewed until now.</p> <p>In addition, when considering in conjunction with industry trends, offshore oil and gas investment expenditure is projected to grow at a CAGR of 6.50 percent from 2021 to 2025 based on the Oil &amp; Gas Global Capex Outlook. Therefore, the</p>			



Items	Assumption details																
	projection of revenue from services is a conservative estimate. The IFA considers that such estimate is reasonable.																
(2) Cost of services	<p>The cost of services consists of 1) project expenses, most of which is the cost of divers and engineers, 2) vessel running costs, and 3) overhead costs. The IFA determines the assumptions of cost of services based on the ratio of cost of services to revenue from each type of service according to interviews with the management of MML as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #002060; color: white;">Cost to revenue ratio (percent)</th> <th style="background-color: #002060; color: white;">2023F</th> <th style="background-color: #002060; color: white;">2024F</th> <th style="background-color: #002060; color: white;">2025F</th> </tr> </thead> <tbody> <tr> <td>IRM</td> <td>78.50</td> <td>78.50</td> <td>78.50</td> </tr> <tr> <td>Cable Lay</td> <td>85.00</td> <td>85.00</td> <td>85.00</td> </tr> <tr> <td>T&amp;I</td> <td>85.00</td> <td>82.00</td> <td>80.00</td> </tr> </tbody> </table> <p>Cost of services in 2023 – 2025 is equal to USD 183.81 million, USD 190.91 million, and USD 214.35 million respectively. When calculating the ratio of cost of services to revenue from services, it is between 80.47 – 81.42 percent.</p> <p>The IFA has an opinion that the cost of services of MML is reasonable because the ratio of cost of services to revenue from services in the projection year is close to the ratio in 2013 and 2014 equal to 81.20 percent and 81.62 percent, respectively, which is expected to be at normal levels. When compared to the ratio of cost of services to revenue from services in 2020 - 2021 between 101.46 - 113.81 percent due to MML being affected by the spread of the COVID-19 virus and the oil crisis, the MML had to bear fixed costs, including vessel running costs and expenses on divers and engineers. Therefore, the IFA does not refer to the ratio of cost of services to revenue from services at that period. However, in 2022, the ratio of cost of services to revenue from services decreased to 92.21 percent. Due to the situation of the spread of the COVID-19 virus around the world began to improve steadily. The IFA is of the opinion that the ratio of cost of services to revenue from services will return to be close to the normal situation.</p>	Cost to revenue ratio (percent)	2023F	2024F	2025F	IRM	78.50	78.50	78.50	Cable Lay	85.00	85.00	85.00	T&I	85.00	82.00	80.00
Cost to revenue ratio (percent)	2023F	2024F	2025F														
IRM	78.50	78.50	78.50														
Cable Lay	85.00	85.00	85.00														
T&I	85.00	82.00	80.00														
(3) Selling and administrative expenses	<p>According to MML's projection, the proportion of selling and administrative expenses to revenue from services in 2023 - 2025 is 7.60 percent, 7.65 percent, and 7.74 percent respectively. The IFA is of the opinion that the said ratio is reasonable because the proportion of selling and administrative expenses to service income tends to decrease throughout 2020 - 2022, which is equal to 29.44 percent, 12.90 percent, and 6.90 percent, respectively, because MML has established an engineering department with capable personnel and complete equipment. It can reduce selling and administrative expenses.</p>																
(4) Share of profit (loss) of associates and joint venture	<p>MML's joint ventures operate undersea services. The IFA determines the assumption of share of profit (loss) of associates and joint venture based on the estimate of MML between USD 3.30 - 4.20 million in projected years which is close to the average share of profit (loss) of associates and joint venture in the past of MML, with an average between 2018 - 2022 equal to USD 3.07 million.</p>																
(5) Depreciation and amortization	<p>Based on MML's management interview, it is expected that depreciation and amortization will be at the same level as 2022. The IFA therefore sets the</p>																



Items	Assumption details																
	depreciation and amortization expense to be USD 18.70 million in the projection years.																
(6) Trade and other receivables	The IFA determines the assumptions of trade receivables and other current receivables based on account receivable days from MML's projections, with the account receivable days between 2023 and 2025 equal to 72.54 days, 72.61 days, and 87.59 days, respectively, which comply with MML's collection policy.																
(7) Trade and other payables	The IFA determines the assumptions of trade payables and other current payables based on account payable days from MML's projection with the payment period between 2023 - 2025 equal to 61.67 days, 70.30 days and 83.43 days respectively, which is in line with the payment policy.																
(8) Capital expenditure	<p>Capital expenditure of MML consist of</p> <p>1) Investment in flexible cable and conduit installation equipment which will be used for projects in its Zone 2 business units (UK, Africa, Middle East and Asia-Pacific oil and gas markets). MML plans to invest in flexible cable and conduit installation equipment in 2023 - 2025 in the amount of USD 1.25 million, USD 0.6 million, and USD 0.60 million, respectively.</p> <p>2) Expenses for bringing support ships to provide underwater civil engineering services to inspect and maintain the readiness of equipment various tools including engine by maintenance according to the specified period (Dry Docking). MML has a plan to bring 3 vessels for maintenance: Mermaid Asiana, Mermaid Endurer and Van Gogh. The IFA refers to the cost of taking the vessel for maintenance according to MML's projection in 2023 - 2025, which is USD 6.06 million, USD 2.50 million, and USD 9.00 million, respectively.</p> <p style="text-align: center;"><b>Capital expenditure</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #002060; color: white;">Unit: USD Million</th> <th style="background-color: #002060; color: white;">2023F</th> <th style="background-color: #002060; color: white;">2024F</th> <th style="background-color: #002060; color: white;">2025F</th> </tr> </thead> <tbody> <tr> <td>Investment in flexible cable and conduit installation equipment</td> <td style="text-align: center;">(1.25)</td> <td style="text-align: center;">(0.60)</td> <td style="text-align: center;">(0.60)</td> </tr> <tr> <td>Dry Docking</td> <td style="text-align: center;">(6.06)</td> <td style="text-align: center;">(2.50)</td> <td style="text-align: center;">(9.00)</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>(7.31)</b></td> <td style="text-align: center;"><b>(3.10)</b></td> <td style="text-align: center;"><b>(9.60)</b></td> </tr> </tbody> </table>	Unit: USD Million	2023F	2024F	2025F	Investment in flexible cable and conduit installation equipment	(1.25)	(0.60)	(0.60)	Dry Docking	(6.06)	(2.50)	(9.00)	<b>Total</b>	<b>(7.31)</b>	<b>(3.10)</b>	<b>(9.60)</b>
Unit: USD Million	2023F	2024F	2025F														
Investment in flexible cable and conduit installation equipment	(1.25)	(0.60)	(0.60)														
Dry Docking	(6.06)	(2.50)	(9.00)														
<b>Total</b>	<b>(7.31)</b>	<b>(3.10)</b>	<b>(9.60)</b>														
(9) Loans from parent company	<p>According to the consolidated financial statements as of December 31, 2022, MML has a loan from the Company in the amount of USD 9.00 million, and MML has requested additional financial assistance from the Company in 2023 in the amount of USD 20.00 million. The details are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #002060; color: white;">Unit: USD Million</th> <th style="background-color: #002060; color: white;">Date</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7.50</td> <td style="text-align: center;">February 10, 2023</td> </tr> <tr> <td style="text-align: center;">12.50</td> <td style="text-align: center;">February 27, 2023</td> </tr> </tbody> </table> <p>Therefore, MML will have a total loan value of USD 29.00 million. MML has a plan to repay the principal from this transaction in the amount of USD 12.50 million between 2023 - 2025 as follows:</p> <p style="text-align: center;"><b>Debt repayment plan from this transaction</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #002060; color: white;">Unit: USD Million</th> <th style="background-color: #002060; color: white;">2023F</th> <th style="background-color: #002060; color: white;">2024F</th> <th style="background-color: #002060; color: white;">2025F</th> </tr> </thead> <tbody> <tr> <td>Repayment from borrowing from parent company</td> <td style="text-align: center;">(5.00)</td> <td style="text-align: center;">(4.00)</td> <td style="text-align: center;">(3.50)</td> </tr> </tbody> </table>	Unit: USD Million	Date	7.50	February 10, 2023	12.50	February 27, 2023	Unit: USD Million	2023F	2024F	2025F	Repayment from borrowing from parent company	(5.00)	(4.00)	(3.50)		
Unit: USD Million	Date																
7.50	February 10, 2023																
12.50	February 27, 2023																
Unit: USD Million	2023F	2024F	2025F														
Repayment from borrowing from parent company	(5.00)	(4.00)	(3.50)														



Items	Assumption details								
	<p>The Company has a history of providing financial assistance to MML in the total amount of USD 16.50 million, which MML will repay the loan to the Company in the amount of USD 5.00 million by June 2023, USD 4.00 million by December 2023, and USD 7.50 million within February 2025. Therefore, MML's principal repayment plan is as follows:</p> <p style="text-align: center;"><b>Debt repayment plan</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #002060; color: white;">Unit: USD Million</th> <th style="background-color: #002060; color: white;">2023F</th> <th style="background-color: #002060; color: white;">2024F</th> <th style="background-color: #002060; color: white;">2025F</th> </tr> </thead> <tbody> <tr> <td>Repayment from borrowing from parent company</td> <td style="text-align: center;">(14.00)</td> <td style="text-align: center;">(4.00)</td> <td style="text-align: center;">(11.00)</td> </tr> </tbody> </table>	Unit: USD Million	2023F	2024F	2025F	Repayment from borrowing from parent company	(14.00)	(4.00)	(11.00)
Unit: USD Million	2023F	2024F	2025F						
Repayment from borrowing from parent company	(14.00)	(4.00)	(11.00)						
(10) Loans from financial institution	<p>According to the consolidated financial statements as of December 31, 2022, MML has long-term loans from financial institutions in the amount of USD 32.48 million with terms of repayment until 2025, referring to the loan agreement. The details are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #002060; color: white;">Unit: USD Million</th> <th style="background-color: #002060; color: white;">2023F</th> <th style="background-color: #002060; color: white;">2024F</th> <th style="background-color: #002060; color: white;">2025F</th> </tr> </thead> <tbody> <tr> <td>Repayment from borrowings from financial institution</td> <td style="text-align: center;">(14.27)</td> <td style="text-align: center;">(9.11)</td> <td style="text-align: center;">(9.11)</td> </tr> </tbody> </table>	Unit: USD Million	2023F	2024F	2025F	Repayment from borrowings from financial institution	(14.27)	(9.11)	(9.11)
Unit: USD Million	2023F	2024F	2025F						
Repayment from borrowings from financial institution	(14.27)	(9.11)	(9.11)						
(11) Interest expense	<p>The IFA estimates interest expenses by referring to the average interest rate for long-term loans from financial institutions according to the notes to the financial statements of MML, which is equal to 7.67 percent. In terms of interest rates on loans from the Company, referring to the loan agreement between the Company and MML which equals to 7.00 percent.</p>								

### Assessment of MML's ability to repay loans from the net cash flow of the business

The IFA has applied the above assumptions and performed the projection of MML's net cash flow to assess MML's ability to repay the loan. The details are as follows:

(Unit: Million USD)	2023F	2024F	2025F
Revenue from rendering of services	225.75	236.01	266.36
Costs of rendering of services	(183.81)	(190.91)	(214.35)
<b>Gross profit</b>	<b>41.94</b>	<b>45.10</b>	<b>52.01</b>
Administrative expenses	(17.15)	(18.06)	(20.60)
Other income	0.29	0.29	0.29
<b>Operating profit</b>	<b>25.08</b>	<b>27.32</b>	<b>31.69</b>
Share of profit (loss) of associates and joint venture	3.30	4.20	4.20
<b>EBIT</b>	<b>28.37</b>	<b>31.52</b>	<b>35.89</b>
Add: Depreciation and amortization	18.70	18.70	18.70
Less: Share of profit (loss) of associates and joint venture	(3.30)	(4.20)	(4.20)
Change in working capital	(4.05)	3.62	(4.74)
<b>Cash flow from operating activities</b>	<b>39.72</b>	<b>49.65</b>	<b>45.65</b>
Less: Capital expenditure	(7.31)	(3.10)	(9.60)
<b>Cash flow from investing activities</b>	<b>(7.31)</b>	<b>(3.10)</b>	<b>(9.60)</b>
Proceeds from borrowing from parent company	20.00	-	-



(Unit: Million USD)	2023F	2024F	2025F
Repayment from borrowing from parent company	(14.00)	(4.00)	(11.00)
Proceeds from borrowings from financial institution	-	-	-
Repayment from borrowings from financial institution	(14.27)	(9.11)	(9.11)
Interest paid	(3.37)	(2.03)	(0.73)
<b>Cash flow from financing activities</b>	<b>(11.64)</b>	<b>(15.13)</b>	<b>(20.84)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20.77</b>	<b>31.41</b>	<b>15.21</b>
Cash and cash equivalents at 1 January	7.80	28.57	59.98
<b>Cash and cash equivalents at 31 December</b>	<b>28.57</b>	<b>59.98</b>	<b>75.19</b>

#### Opinion of the IFA on the operating results and loan repayment ability of MML

According to MML's consolidated financial statements for the year 2022, MML's revenue from services was USD 223.94 million, an increase of USD 112.34 million or an increase of 100.67 percent from the year 2021, with revenue from services equal to USD 111.59 million. Due to the relaxation of quarantine measures to prevent the spread of COVID-1, including MML began to recognize revenue from cable lay service, and MML has more Transportation & Installation and Decommissioning (T&I) work. In 2022, MML's performance turned around with a profit of USD 0.34 million or equivalent to a net profit margin of 0.15 percent and a debt service coverage ratio (DSCR) of 1.00 times, indicating that MML has sufficient cash flow to meet its annual debt obligations, including principal repayments. The IFA views that the operating results of MML tend to improve. In addition, most of MML's customers are world-renowned in the oil and gas industry and are employed on a long-term and ongoing basis. Because MML has a long experience in operations, it can operate according to the customer's requirements and strictly comply with the rules and conditions of the customer and the operating country. Furthermore, the growth of the industry tends to improve, offshore oil and gas investment expenditure is projected to grow at a CAGR of 6.50 percent from 2021 to 2025 based on the Oil & Gas Global Capex Outlook. When considering together with the above cash flow projections, if MML is able to manage and achieve the targeted performance, it is found that MML has the ability to pay interest from 2023 - 2025 and has the ability to repay the principal of the loan from the Company with the total amount of USD 29.00 million, which consists of the past loan from the Company of USD 16.50 million and a loan from this transaction of USD 12.50 million, which is in accordance with the planned loan repayment plan. After repayment of principal to the Company in 2025, MML still has a net cash balance after debt repayment of USD 75.19 million or equivalent to THB 2,608.21 million (USD 1 equals THB 34.687, referring to the foreign exchange rate announced by the Bank of Thailand on March 7, 2023).

#### Cash flow sensitivity analysis

The IFA has conducted a sensitivity analysis of net cash flow from operations, MML's cash flow after repayment, and debt service coverage ratio (DSCR) on changes in 2 assumptions that are the main assumptions that significantly affect the debt serviceability of MML, which are 1) service revenue excluding backlog 2) gross profit. The results of the sensitivity analysis can be shown as follows:



### Assumption 1: Change in revenue from services excluding backlog

(Unit: Million USD)	2023F	2024F	2025F
<b>1. Base case</b>			
Revenue from services	225.75	236.01	266.36
Cash flow from operating activities	39.72	49.65	45.65
Cash flow after repayment	28.57	59.98	75.19
DSCR (Times)	1.38	3.04	2.42
<b>2. Sensitivity analysis of revenue from services excluding backlog decreased by 10.00 percent.</b>			
Revenue from services	223.35	218.50	245.52
Cash flow from operating activities	39.42	46.91	41.99
Cash flow after repayment	28.27	56.95	68.50
DSCR (Times)	1.37	2.82	2.22
<b>3. Sensitivity analysis of revenue from services excluding backlog decreased by 20.00 percent.</b>			
Revenue from services	220.96	201.00	224.69
Cash flow from operating activities	39.13	44.17	38.34
Cash flow after repayment	27.97	53.91	61.81
DSCR (Times)	1.36	2.60	2.03

From considering the impact of adjusting the assumption of revenue from services excluding backlog, it can show the impact on net cash flow from operations, MML's cash flow after payment and, debt service coverage ratio (DSCR) are as follows:

1. In the event that revenue from services excluding backlog decreases by 10.00 percent from the base case, it will result in MML 1) has positive net cash flow from operations throughout the projection year. The net cash flow from operations is between USD 39.42 - 46.91 million in 2023 - 2025 2) has a positive cash balance after loan repayment throughout the projection year. The cash balance is between USD 28.27 - 68.50 million in 2023 - 2025. 3) The debt service coverage ratio (DSCR) is more than 1.00 times throughout the projection year, which is between 1.37 – 2.82 times in 2023 – 2025. Therefore, MML has sufficient cash flow to meet its annual debt obligations, including principal repayment.
2. In the event that revenue from services excluding backlog decreases by 20.00 percent from the base case, it will result in MML 1) has positive net cash flow from operations throughout the projection year. The net cash flow from operations is between USD 38.34 – 44.17 million in 2023 - 2025 2) has a positive cash balance after loan repayment throughout the projection year. The cash balance is between USD 27.97 – 61.81 million in 2023 - 2025. 3) The debt service coverage ratio (DSCR) is more than 1.00 times throughout the projection year, which is between 1.36 – 2.60 times in 2023 – 2025. Therefore, MML has sufficient cash flow to meet its annual debt obligations, including principal repayment.





## Assumption 2: Changes in Gross Profit

(Unit: Million USD)	2023F	2024F	2025F
<b>1. Base case</b>			
Gross profit	41.94	45.10	52.01
Cash flow from operating activities	39.72	49.65	45.65
Cash flow after repayment	28.57	59.98	75.19
DSCR (Times)	1.38	3.04	2.42
<b>2. Sensitivity analysis of gross profit decreased by 10.00 percent.</b>			
Gross profit	37.75	40.59	46.81
Cash flow from operating activities	36.24	45.30	40.77
Cash flow after repayment	25.09	52.15	62.48
DSCR (Times)	1.25	2.74	2.17
<b>3. Sensitivity analysis of gross profit decreased by 20.00 percent.</b>			
Gross profit	33.55	36.08	41.61
Cash flow from operating activities	32.75	40.95	35.89
Cash flow after repayment	21.60	44.31	49.76
DSCR (Times)	1.12	2.44	1.92

From considering the impact of adjusting the assumption of gross profit, it can show the impact on net cash flow from operations, MML's cash flow after payment and, debt service coverage ratio (DSCR) are as follows:

1. In the event that revenue from services excluding backlog decreases by 10.00 percent from the base case, it will result in MML 1) has positive net cash flow from operations throughout the projection year. The net cash flow from operations is between USD 36.24 – 45.30 million in 2023 - 2025 2) has a positive cash balance after loan repayment throughout the projection year. The cash balance is between USD 25.09 – 62.48 million in 2023 - 2025. 3) The debt service coverage ratio (DSCR) is more than 1.00 times throughout the projection year, which is between 1.25 – 2.74 times in 2023 – 2025. Therefore, MML has sufficient cash flow to meet its annual debt obligations, including principal repayment.
2. In the event that revenue from services excluding backlog decreases by 20.00 percent from the base case, it will result in MML 1) has positive net cash flow from operations throughout the projection year. The net cash flow from operations is between USD 32.75 – 40.95 million in 2023 - 2025 2) has a positive cash balance after loan repayment throughout the projection year. The cash balance is between USD 21.60 – 49.76 million in 2023 - 2025. 3) The debt service coverage ratio (DSCR) is more than 1.00 times throughout the projection year, which is between 1.12 – 2.44 times in 2023 – 2025. Therefore, MML has sufficient cash flow to meet its annual debt obligations, including principal repayment.



### 3.6 Appropriateness of the interest rates for entering into the transaction

The IFA has considered the interest rate that the Company received for entering into this financial assistance transaction at 7.00 percent per year by comparing the interest rate that the Company receives with fixed deposit interest rates, the Company's financial cost, and the rate of return for investing in other alternatives with a similar duration (according to the loan period not exceeding 3 years) as follows:

#### 3.6.1 Comparison with commercial bank deposit rates or the yield of investment in government bonds

- Savings Interest Rates of Financial Institutions: interest rates on deposits of commercial banks registered in Thailand are in the range of 0.10 - 2.00 percent per year (information from the Bank of Thailand as of 8 March 2023).
- Interest rates for 2-year fixed deposits of financial institution: interest rates for 2-year fixed deposits of commercial banks registered in Thailand are in the range of 0.20 - 1.75 percent per year (information from the Bank of Thailand as of 8 March 2023).
- The yield of investment in Thai government bonds with a tenor of 0.5 - 3 years: rate of return on investment are in the range of 1.67 - 1.96 percent per year (information from the Thai Bond Market Association as of 8 March 2023).

#### 3.6.2 Comparison with the rate of return on investment in corporate bonds and the financial cost of loans from financial institutions (Cost of Debt)

- Rate of return of investing in corporate bonds with the maturity not exceeding 3 years: debentures issued by the companies to raise funds for use in various business operations with a credit rating (Credit Rating) at BBB+ according to the Company's credit rating provided by Tris Rating on 8 September 2022, which will have a rate of return at 3.92 percent per year (information from the Thai Bond Market Association as of 8 March 2023).
- Interest rates on corporate bonds issued by the Company: according to the Company's information as of 8 March 2023, the Company has outstanding debentures of 7,988.70 MTHB with interest rates in the range of 4.40 - 5.10 percent per year as follows:



Table of the details of the Company's debentures

Debenture List	Balance Amount (MTHB)	Date of Issuance	Maturity Date	Tenor (Year)	Remaining Maturity (Year)	Interest Rate (Percent per Year)
TTA233A	716.20	3 December 2020	3 March 2023	2.25	0.01	5.00
TTA239A	1,500.00	26 March 2021	26 September 2023	2.50	0.58	5.00
TTA252A	800.00	11 November 2021	11 February 2025	3.25	1.96	4.75
TTA265A	1,200.00	11 November 2021	11 May 2026	4.50	3.20	5.10
TTA260A	1,698.10	19 January 2023	19 October 2026	3.75	3.64	4.40
TTA281A	2,074.40	19 January 2023	19 January 2028	5.00	4.90	4.90
<b>Total</b>	<b>7,988.70</b>					<b>4.40 – 5.10</b>

Source: The Company

- The interest rate for MML's loans from financial institutions: the interest rate is in the range of 7.38 - 8.15 percent per year as shown in the following table.

Table of MML's loans from financial institutions

List of loans	Interest rate
Long-term loans from financial institutions	7.38 – 8.15 percent per year

Source: The notes to financial statements for the year 2022 of MML

### 3.6.3 Comparison with minimum loan rate (MLR)

- Interest rate for prime customer loans with a term (Minimum Loan Rate: MLR): the IFA references MLR interest rates from 4 major financial institutions in Thailand which consists of Bangkok Bank, Krung Thai Bank, Kasikorn Bank, and Siam Commercial Bank. The interest rate is between 6.35 - 6.57 percent per year as follows:

Table of minimum loan rate of from 4 major financial institutions in Thailand

Bank	Interest Rate (Percent per Year)
Bangkok Bank	6.45
Krung Thai Bank	6.35
Kasikorn Bank	6.57
Siam Commercial Bank	6.35

Source: Bank of Thailand as of 8 March 2023



Table of the summary of comparing the rates of return on various types of investments  
and financial costs of the Company

Types of investments and financial costs	Interest Rate (Percent per Year)	Compared with the rate of return from this transaction
<b>Comparison with depositing money in a bank account or a low-risk investment</b>		
Savings deposit rates of financial institutions <sup>1/</sup>	0.10 – 2.00	Lower
2-year fixed deposit rates of financial institutions <sup>1/</sup>	0.20 – 1.75	Lower
Thai Government Bond Yield 0.5 – 3 years <sup>2/</sup>	1.67 – 1.96	Lower
<b>Comparison to investing in corporate bonds</b>		
Corporate Bond Yield with a maturity of not more than 3 years <sup>2/</sup>	3.92	Lower
<b>Comparison with financial cost of the Company and MML</b>		
Interest rate of the Company's debentures <sup>3/</sup>	4.40 – 5.10	Lower
Interest rates on loans from financial institutions of MML <sup>4/</sup>	7.38 – 8.15	Higher
<b>Comparison with lending rates of financial institutions</b>		
Financial institution loan interest rate (MLR) <sup>1/</sup>	6.35 – 6.57	Lower
<b>Interest rate of financial assistance to MML</b>	<b>7.00</b>	

Source: 1/ The Bank of Thailand as of 8 March 2023

2/ The Thai Bond Market Association as of 8 March 2023

3/ the Company

4/ The notes to financial statements for the year 2022 of MML



### The IFA's opinion on the appropriateness of interest rates

The IFA has considered comparing the interest rates from financial assistance to MML of this transaction with the interest rates of deposits in savings accounts of financial institutions and interest rates for 2 - year fixed deposits of financial institutions which found out that the Company will receive only 0.10 - 2.00 percent per year. Moreover, if the Company invests cash in Thai government bonds with a maturity of 0.5 - 3 years, the Company will receive a return of 1.67 - 1.96 percent per year, which is higher than the interest on savings and fixed deposits but still less than the interest rate of financial assistance to MML at 7.00 percent per year. Nevertheless, if the Company invests in corporate bond with the mutuality of not over 3 years and a credit rating at BBB+, according to the Company's credit rating issued by Tris Rating on 8 September 2022, the Company will have a rate of return of 3.92 percent per year, which is lower than the interest rate of financial assistance to MML at 7.00 percent per year.

In addition, when considering the financial cost of the Company, the main source of funds is from the issuance of debentures with the interest rate from the issuance of debentures at 4.40 - 5.10 percent per year. It was found that the interest rate on the debentures was still lower than the interest rate of financial assistance to MML at 7.00 percent per year. While the interest rate on loans from MML's financial institutions at 7.38 - 8.15 percent per year, higher than the interest rate from financial assistance to MML at 7.00 percent per year. However, when considering the interest rate on prime customer term loans (MLR) from 4 major financial institutions in Thailand ranges between 6.35 – 6.57 per year, the interest rate from financial assistance to MML this time is still higher than the return of financial institutions in prime customer term loan (MLR).

Therefore, considering the comparison of the rate of return on each type of investments which consist of 1) savings interest rates of financial institutions, 2) 2-year fixed deposit rates of financial institutions, 3) government bond yields (0.5 - 3 years), and 4) yields of Investment in corporate bonds with a maturity of not more than 3 years, and also including the comparison of financial costs of the Company and MML, and comparisons with financial institutions' returns on lending to prime customers (MLR), the IFA has an opinion that the rate of return from financial assistance to MML, which has an interest rate of 7.00 percent per year, is appropriate. The reason is that there is a higher rate of return than the rate of return for each type of investment, financial cost from issuing debentures of the Company, and the returns of financial institutions in providing term loan to prime customers (MLR).

### **3.7 Appropriateness of the conditions for entering into the transaction**

The IFA has considered the reasonableness of the transaction conditions which is about the financial assistance in the amount of USD 12.50 million, equivalent to THB 433.59 million (USD 1 = THB 34.687 referring to foreign exchange rates announced by the Bank of Thailand on 7 March 2023) in the form of a non-revolving loan facility. For the key conditions and opinions of the IFA are as follows:

**Table of the key conditions and opinions of the IFA**

Key conditions	Details	Opinions of the IFA
Loan amount	The total amount does not exceed USD 12.50 million, equivalent to THB 438.55 million.	<u>Appropriate</u> : Since the loan facility is consistent with MML's expenses that will occur for the year 2023 in the amount of USD 20.00 million while MML has already received USD 7.50



Key conditions	Details	Opinions of the IFA
		<p>million in February 2023, thus, the balance was 12.50 USD million which is the same amount as the transaction of financial assistance to MML this time. The expected expenses consist of: 1) expenses for dry docking in 3 subsea vessels in the amount of USD 8.20 million 2) operating expenses of the Mubadala project in the amount of USD 10.00 million and 3) expenses for other working capital and provision in the amount of USD 1.80 million.</p> <p>In addition, when considering the use of source of funds which comes from internal cash flow of the Company. As of 31 December 2022, the Company has cash and cash equivalents in the amount of THB 3,263.17 million and other financial assets in the amount of THB 1,213.69 million according to the separate financial statements, when considering together with the ability to pay interest-bearing debt and future investment plans of the Company, the IFA found that the Company still be able to pay off debt and carry out investment plans from its assets and income from dividends received.</p>
Purpose of this transaction	to support working capital of MML	<p><u>Appropriate</u> Since the loan is intended to be used as working capital for operations, namely 1) expenses for bringing the support ships for underwater engineering services to inspect their readiness according to period of 3 ships, 2) the operating expenses of the Mubadala project, and 3) the expenses for other working capital and contingency reserves. Moreover, obtaining a loan from a financial institution requires more than 6 months of approval time. Coupled with the current volatility in oil and gas prices which causes entrepreneurs in the oil and gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected. From such risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period which are the reasons for this transaction.</p>
Interest rate	7.00 percent per annum, payable on the last business day of each quarter	<p><u>Appropriate</u> Since there is a higher rate of return than the rate of return for each type of investments, the financial cost from issuing debentures of the Company, and the returns of financial institutions in granting credit term to prime customers (MLR) whereby the Company will recognize interest income from lending in every quarter of the Company's operating results.</p>
Maturity date		<p><u>Appropriate</u> Since the repayment schedule is in line with the debt repayment ability and liquidity management policy of</p>



Key conditions	Details	Opinions of the IFA												
	<p style="text-align: center;"><b>Repayment Schedule</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Date</th> <th style="width: 50%;">Amount (USD Million)</th> </tr> </thead> <tbody> <tr> <td>31 Dec. 2023</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>30 Jun. 2024</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td>31 Dec. 2024</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td>30 Jun. 2025</td> <td style="text-align: center;">3.50</td> </tr> <tr> <td style="text-align: center;"><b>Total</b></td> <td style="text-align: center;"><b>12.50</b></td> </tr> </tbody> </table>	Date	Amount (USD Million)	31 Dec. 2023	5.00	30 Jun. 2024	2.00	31 Dec. 2024	2.00	30 Jun. 2025	3.50	<b>Total</b>	<b>12.50</b>	<p>MML, as well as setting a 4-month repayment schedule, allows MML to plan principal and interest payments. Based on the projection of the IFA on the performance of MML between 2023 - 2025, which is the period of this related transactions until the maturity date of the loan agreement between the Company and MML, it is found that MML has the ability for debt repayment from 2023 - 2025. Moreover, after repayment of the loan to the Company in 2025, MML still has a net cash balance after debt repayment of USD 75.19 million. or equivalent to THB 2,608.21 million (USD 1 = THB 34.687, referring to the foreign exchange rate (announced by the Bank of Thailand on 7 March 2023).</p>
Date	Amount (USD Million)													
31 Dec. 2023	5.00													
30 Jun. 2024	2.00													
31 Dec. 2024	2.00													
30 Jun. 2025	3.50													
<b>Total</b>	<b>12.50</b>													
Terms of payment default	9.00 percent per annum	<p><u>Appropriate:</u> Due to the calculation of the default interest rate according to the Bank of Thailand's announcement, the contractual interest rate can be added not more than 3.00 percent and the maximum not more than 15.00 percent in order to be fair to borrowers and lenders which the default interest rate of the transaction this time as specified by the Bank of Thailand.</p>												
Collateral	None	<p><u>Inappropriate:</u> As the collateral acts as a secondary source of repayment. If MML is unable to repay the loan, without collateral, the Company may not receive the principal repayment either in the form of cash or property as collateral.</p> <p>Based on the projections of the IFA on the performance of MML between 2023 - 2025, which is during the period of transactions until the end of the loan agreement between the Company and MML, MML will have revenue in 2023 - 2025 equals to USD 225.75 million, USD 236.01 million, and USD 266.36 million, respectively, and gross profit in 2023 - 2025 equals USD 41.94 million, USD 45.10 million, and USD 52.01 million, respectively, thus, it was found that MML will have the ability to pay debts of the business from 2023 - 2025 because there is still cash flow after debt repayment of MML. Also, when conducting a sensitivity analysis of cash flow, it was found that if revenue from services excluding the backlog decreased by 20 percent or if the gross profit decreases by 20.00 percent from the base case according to the IFA's projection, MML will still be able to repay the loan from the Company in this transaction and the loan borrowed from the Company within the specified period.</p> <p>In addition, the Company holds 58.22 percent of MML total shares issued and paid-up. Therefore, the Company has control over voting rights in MML more than 50.00 percent and has control over majority of votes in the shareholders'</p>												



Key conditions	Details	Opinions of the IFA
		meeting of MML. As a result, the Company will be able to know the financial status of MML as well as closely monitor factors that may cause the risk of debt default.
Conditions that may affect the rights of shareholders	None	<u>Appropriate</u> : Due to the rights of the Company's shareholders will not be affected by the financial assistance provided to MML.

Note: 1/ The exchange rate of USD 1 equal to THB 34.687 announced by the Bank of Thailand on 7 March 2023.

### 3.8 Advantages and disadvantages for entering into the transaction

#### 3.8.1 Advantages for entering into the transaction

- 1) The Company will receive higher return from entering this transaction than current investments in deposit and other short-term investments.

Entering into the transaction of financial assistance to MML in the total amount not exceeding USD 12.50 million, equivalent to THB 433.59 million, the Company will receive interest at the rate of 7.00 percent per year which is higher than the rate of return from each type of investments which consists of 1) Savings deposit rates of financial institutions at 0.10 - 2.00 percent per year 2) 2-year fixed deposit rates of financial institutions at 0.20 - 1.75 percent per year 3) Thai government bond yields with maturity of 0.5 - 3 years at 1.67 - 1.96 percent per year and 4) the rate of return of investing in corporate bonds with maturity not exceeding 3 years at 3.92 percent per year, including higher than the company's financial cost, and the returns of financial institutions in granting credit term to prime customers (MLR). The details of the rate of return comparison are as follows.

Table of the summary of comparing the rates of return on various types of investments and financial costs of the Company

Types of investments and financial costs	Interest Rate (Percent per Year)	Compared with the rate of return from this transaction
<b>Comparison with depositing money in a bank account or a low-risk investment</b>		
Savings deposit rates of financial institutions <sup>1/</sup>	0.10 – 2.00	Lower
2-year fixed deposit rates of financial institutions <sup>1/</sup>	0.20 – 1.75	Lower
Thai Government Bond Yield 0.5 – 3 years <sup>2/</sup>	1.67 – 1.96	Lower
<b>Comparison to investing in corporate bonds</b>		
Corporate Bond Yield with a maturity of not more than 3 years <sup>2/</sup>	3.92	Lower
<b>Comparison with financial cost of the Company and MML</b>		
Interest rate of the Company's debentures <sup>3/</sup>	4.40 – 5.10	Lower
Interest rates on loans from financial institutions of MML <sup>4/</sup>	7.38 – 8.15	Higher
<b>Comparison with lending rates of financial institutions</b>		
Financial institution loan interest rate (MLR) <sup>1/</sup>	6.35 – 6.57	Lower
Interest rate of financial assistance to MML	7.00	





Source: 1/ The Bank of Thailand as of 8 March 2023

2/ The Thai Bond Market Association as of 8 March 2023

3/ the Company

4/ The notes to financial statements for the year 2022 of MML

2) It will enhance liquidity and increase flexibility in capital management to companies in the same group.

MML has a requirement for working capital for the year 2023 in the amount of USD 20.00 million, of which MML has already received USD 7.50 million in February 2023, so the balance was USD 12.50 million. The loan will be used to cover MML's expenses that will occur for the year 2023, namely 1) the cost of taking 3 vessels for periodic readiness checks in the amount of USD 8.20 million, 2) the operational expenses of the Mubadala Project in the amount of USD 10.00 million, and 3) the expenses for other working capital and provisions in the amount of USD 1.80 million. Moreover, obtaining a loan from a financial institution requires more than 6 months of approval time. Coupled with the current volatility in oil and natural gas prices which causes entrepreneurs in the oil and natural gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected. From such risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period which are the reasons for this transaction. Although, MML has existing revolving credit lines with financial institutions, the above expenses cannot be used because specific partners are specified.

Therefore, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair, and maintenance of subsea infrastructure.

### 3.8.2 Disadvantages for entering into the transaction

1) The Company will have a lower cash flow to use in operations.

By entering this transaction, the Company will provide financial assistance to MML in the amount of 12.50 MUS\$D, equivalent to 433.59 MTHB (1 USD = 34.687 THB based on foreign exchange rates announced by the Bank of Thailand on March 8, 2023), which resulted in a decrease in cash flow for the Company's operating activity. From the separate financial statements ended 31 December 2022, the Company had cash and cash equivalents of THB 3,263.17 million and other current financial assets of THB 1,213.69 million, totaling THB 4,476.87 million, couples with the consideration of ability to repay interest bearing debt and future investment plans of the Company, the IFA found that the Company still be able to pay off debt and carry out investment plans from the Company's assets and income from dividends. Furthermore, if considering the financial status of the Company in 2022, the Company has total assets of THB 36,698.20 million



and total liabilities of THB 4,727.04 million. So, the debt to total assets ratio is 0.13 times, which is sufficient to repay interest-bearing debts that will occur within the year 2023 and in the future. Therefore, entering this transaction, the Company has sufficient cash for providing financial assistance and affects the Company's financial position insignificantly. In conclusion, the Company has relatively low risk from entering the transaction and does not cause damage to the Company's financial position in any way significant.

2) The Company may lose the investment opportunities that returns more than 7.00 percent per year in the future.

By entering this transaction, the Company will receive the rate of return of 7.00 percent per year which may causes the Company to lose the opportunity to invest cash in any type of investment in the future that returns more than 7.00 percent per year. Moreover, this transaction may cause the Company lose the opportunity to make big investments in the future such as acquisitions (M&A) or joint ventures (JV) in businesses related to the Company or other businesses according to the Company deem appropriate.

However, this transaction will help MML to run its business smoothly. It can enable MML to expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure that reduce the dependence on subsea installation engineering, offshore decommissioning, inspection, repair, and maintenance of subsea infrastructure. In addition, the IFA has considered the impact of this financial assistance on the Company's ability to repay interest-bearing debts and future investment plans which found that the Company is still able to pay debts and carry out investment plans from the Company's assets and dividend income.

### 3.9 Advantages and disadvantages for entering into the connected transaction compared to the third party

#### 3.9.1 Advantages for entering the connected transaction compared to the third party

1) MML will get financial assistance faster than the third parties.

By entering the transaction with the Company will allow MML to receive working capital for the year 2023 as expected timeline. Since the Company is MML's major shareholder holding 58.22 percent of total shares issued and paid-up both directly and indirectly. As well as having major shareholders and common directors with the Company who knows and understands MML's business well and sees the potential for MML's industry and business growth. In addition, obtaining a loan from a financial institution requires more than 6 months of approval time which will not be able to support the need for working capital of MML within the specified period.



2) The Company can get information and coordinate with MML more conveniently than third parties.

The Company is a major shareholder of MML, directly and indirectly holding 58.22 percent of total shares issued and paid-up. MML also has major shareholders and common directors with the Company. So, the Company can follow up the operation and the financial status of MML, as well as closely monitoring factors that may cause the risk of debt default. It will be more flexible in negotiations and coordination between them than third parties.

### 3.9.2 Disadvantages for entering into the connected transaction compared to the third party

1) The Company may be asked to negotiate for a waiver of conditions and debt repayment more easily compared to third parties.

This financial assistance transaction is considered a connected transaction because it is a transaction with a subsidiary that has major shareholders and common directors with the Company. This may cause a conflict of interest in terms of negotiating for a waiver of various repayment conditions compared to third parties if MML does not comply with the contract conditions or unable to pay principal and/or interest according to the debt repayment plan for this transaction. The company should operate in accordance with the policy of related party transactions of the Company strictly for transparency and to eliminate such potential conflicts of interest.

## 3.10 Risk of entering into the transaction

### 3.10.1 Risk before entering into the transaction

1) The risk of not being approved by the shareholders' meeting of the Company.

Due to the size of the transaction, which is considered a connected transaction, the Company is obligated to hold a shareholders' meeting of the Company to request approval of entering a transaction. This must receive a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote without counting the shareholders' equity. Therefore, there is a risk that without approval from the shareholders' meeting, the Company will not be able to enter the transaction.

### 3.10.2 Risk after entering into the transaction

1) The risk that MML will default on debt repayment.

Due to the current volatility in oil and natural gas prices, it may enable entrepreneurs in the oil and natural gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected as well, which results in



unexpected in MML's operating results. This may cause MML to be unable to repay principal and interest to the Company.

However, based on the projection of the IFA on the performance of MML between 2023 - 2025, which is the period of this related transactions until the maturity date of the loan agreement between the Company and MML, the result is that MML has the ability for debt repayment from 2023 - 2025. Moreover, after repayment of the loan to the Company in 2025, MML still has a net cash balance after debt repayment of USD 75.19 million. or equivalent to THB 2,608.21 million (USD 1 = THB 34.687, referring to the foreign exchange rate (announced by the Bank of Thailand on 7 March 2023). In addition, when analyzing the sensitivity of MML's cash flow, it was found that even though revenue from services excluding backlog decreased by 20.00 percent or gross profit decreased by 20.00 percent from the base case, MML still can repay the loan from the Company in this transaction and the loan borrowed from the Company with the whole amount. *The detail is shown in Topic 3.5 Analysis of MML's Loan Repayment Ability.*

In addition, MML has world-renowned partners in the oil and natural gas industry, for which MML is recognized from its expertise and long experience as well as the work delivered, thus, MML has been employed for a long time and continuously. Therefore, it can be believed that it will continue to receive work related to the oil and natural gas industry business. In addition, MML has an interest-bearing debt to equity Ratio of 0.44 times in 2022 which means MML still has the potential to borrow money to repay the loan to the Company. In the worst case, in which MML is unable to repay the loan to the Company, the Company will still have a liquid assets ratio of 4.42 times, decreasing from 4.59 times in 2022, and still has a debt to total assets ratio of 0.13 times, which is sufficient to repay the debentures due in 2022, operating expenses, and future investments. So, if there is a default on debt payment, it will not affect the financial position of the Company significantly. In addition, it does not affect the cash flow management of the Company in any way.



## Summary of Opinion of the Independent Financial Advisor

With reference to Thoresen Thai Agencies Public Company Limited (“TTA” or “the Company”) in its Board of Directors’ Meeting No. 03/2023 held on 8 March 2023 passed the resolution that it deemed appropriate to purpose the 2023 Annual General Meeting of Shareholders of the Company to consider and approve providing financial assistance in the form of loan to Mermaid Maritime Public Company Limited (“MML”) at USD 12.50 million or equal to THB 433.59 million (USD 1: THB 34.687, reference with foreign exchange rate announced by the Bank of Thailand as of 7 March 2023). MML is a listed company in Singapore that the Company holds 58.22 percent of all issued and paid-up shares. The purpose of this transaction is to be used as working capital for the operation of MML. And the company will receive a return at an interest rate of 7.00 percent per year, the interest rate plus the risk margin of the Company, that the return is better than investing in deposits with financial institutions or other short-term investments. It also provides financial assistance to subsidiaries to use as working capital which enable MML to run its business smoothly and expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, reparation and maintenance of subsea infrastructure.

The IFA considers that MML has working capital requirements for the year 2023 in the amount of USD 20.00 million. However, the Board of Directors Meeting No. 1/2023 held on January 20, 2023 resolved to approve in financial assistance to MML in the amount of USD 7.50 million, equivalent to 252.73 million baht, therefore, MML still requires another 12.50 million USD, equivalent to 433.59 million baht from this transaction. The expected expenses consist of: 1) expenses for dry docking in 3 subsea vessels in the amount of USD 8.20 million 2) operating expenses of the Mubadala project in the amount of USD 10.00 million and 3) expenses for other working capital and provision in the amount of USD 1.80 million. However, obtaining a loan from a financial institution requires more than 6 months of approval time. Coupled with the current volatility in oil and natural gas prices which causes entrepreneurs in the oil and natural gas production business to revise their investment plans and operational plans. As a result, MML's subsea engineering services may be affected. From such risk factors, financial institutions may take longer to consider credit approval and MML may not receive credit from financial institutions within the required period which are the reasons for this transaction.

In addition, the transaction conditions are reasonable and acceptable. The loan amount and the objectives of this transaction are consistent with MML's expenses that will occur for the year 2023. Also, when considering the use of source of funds which comes from internal cash flow of the Company. As of 31 December 2022, the Company has cash and cash equivalents in the amount of THB 3,263.17 million and other financial assets in the amount of THB 1,213.69 million according to the separate financial statements, when considering together with the ability to pay interest-bearing debt and future investment plans of the Company, the IFA found that the Company still be able to pay off debt and carry out investment plans from its assets and income from dividends received by the Company. Moreover, the schedule of debt repayment to the Company is consistent with MML's ability to repay debt. Although this financial assistance to MML has no collateral, based on the projections of the IFA on the performance of MML between 2023 - 2025, which is during the period of transactions until the end of the loan



agreement between the Company and MML, MML will have revenue in 2023 - 2025 equals to USD 225.75 million, USD 236.01 million, and USD 266.36 million, respectively, and gross profit in 2023 - 2025 equals USD 41.94 million, USD 45.10 million, and USD 52.01 million, respectively, thus, it was found that MML will have the ability to pay debts of the business from 2023 - 2025 because there is still cash flow after debt repayment which after repayment of the loan to the Company in 2025, MML still has a net cash balance after debt repayment equal to USD 75.19 million or equivalent to THB 2,608.21 million (USD 1 equals THB 34.687, referring to the foreign exchange rate announced by the Bank of Thailand on 7 March 2023). Also, when conducting a sensitivity analysis of cash flows, it was found that if revenue from services excluding the backlog decreased by 20 percent or if the gross profit decreases by 20.00 percent from the base case according to the IFA's projection, MML will still be able to repay the loan from the Company in this transaction and the loan borrowed from the Company within the specified period. Furthermore, the Company holds 58.22 percent of MML total shares issued and paid-up. Therefore, the Company has control over voting rights in MML more than 50.00 percent and has control over majority of votes in the shareholders' meeting of MML. As a result, the Company will be able to know the financial status of MML as well as closely monitor factors that may cause the risk of debt default. Besides, when considering the interest rates from financial assistance to MML of this transaction at 7.00 percent per year, interest rate that the Company earns from this transaction is appropriate because its yields higher returns than the rate of return on each type of investments which consist of 1) savings interest rates of financial institutions, 2) 2-year fixed deposit rates of financial institutions, 3) government bond yields (0.5 - 3 years), and 4) yields of Investment in corporate bonds with a maturity of not more than 3 years, and also including the comparison of financial costs of the Company and MML, and comparisons with financial institutions' returns on lending to prime customers (MLR).

Nevertheless, entering this transaction may cause the Company a decrease in operating cash flow but still enough to provide the financial assistance of this transaction. And when considering the impact on the financial position of the Company, it was found that the Company had relatively low risks from entering into the transaction and did not cause damage to the Company's financial position in any way significant. In addition, the IFA has considered the ability to repay interest-bearing debt and future investment plans of the Company and found that the Company still be able to pay off debt and carry out investment plans from the Company's assets and income from dividends. This transaction will provide MML with more liquidity and enable MML to run its business smoothly and expand its potential business including decommissioning and transportation & installation business and cable laying business which is expected to result in a well-balanced and diversified revenue structure which will reduce dependence on subsea installation engineering, offshore decommissioning, inspection, repair and maintenance of subsea infrastructure.

Although after entering into the transaction, the Company may have a risk of default on debt payment due to the risk factors and uncertainties of the industry. However, based on the projection of MML's performance between 2023 - 2025 and the sensitivity analysis of cash flows mentioned above, MML still has the ability to pay debts. While MML has world-renowned partners in the oil and natural gas industry, for which MML is recognized from its expertise and long experience as well as the work delivered, MML has been employed for a long time and continuously. Therefore, it can be believed that it will continue to receive work related to the oil and natural gas industry business. In addition, MML has an interest-bearing debt to equity Ratio of 0.44 times in 2022 which means



MML still has the potential to borrow money to repay the loan to the Company. In the worst case, in which MML is unable to repay the loan to the Company, the Company will still have a liquid assets ratio of 4.42 times, decreasing from 4.59 times in 2022, and still has a debt to total assets ratio of 0.13 times, which is sufficient to repay the debentures due in 2022, operating expenses, and future investments. So, if there is a default on debt payment, it will not affect the financial position of the Company significantly. In addition, it does not affect the cash flow management of the Company in any way.

**Therefore, the Independent Financial Advisor has an opinion that the shareholders should consider approving the financial assistance to MML in the non-revolving loan facility in the amount not exceeding USD 12.50 million, equivalent to THB 433.59 million.**

However, the decision to vote for approval of this transaction is mainly at the discretion of the Company's shareholders. The shareholders should study additional information in the documents attached to the invitation letter to the shareholders' meeting in order to use discretion for consideration in making decisions to pass a resolution appropriately.



The IFA certified that the IFA carefully considered and provided financial opinions in accordance with the professional standard by taking into account the best interest of the shareholders.

The Independent Financial Advisor

Avantgarde Capital Co., Ltd.

- Signed -

(Mr. Worawas Wassanont)

Supervisor

- Signed -

(Mr. Worawas Wassanont)

Managing Director





## 4. Appendix

### 4.1 Business overview of Thoresen Thai Agencies Public Company Limited (“The Company”)

#### 4.1.1 General information of the Company

<b>Company Name</b>	Thoresen Thai Agencies Public Company Limited		
<b>Address</b>	Orakan Building, 26/26-27 Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330		
<b>Business Type</b>	Investment Holding with 5 core business groups such as shipping, offshore service, agrochemical, food & beverage and investment		
<b>Registration No.</b>	0107548000064		
<b>Website</b>	<a href="http://www.thoresen.com">http://www.thoresen.com</a>		
<b>Issued Capital</b>	THB 1,998,446,888.00		
<b>Paid-up Capital</b>	THB 1,822,464,564.00		
<b>Directors</b>	<b>Rank</b>	<b>Name</b>	<b>Position</b>
	1	Mr. Prasert Bunsumpun	Chairman of the Board of Directors, Chairman of Executive Committee
	2	Mr. Chalermchai Mahagitsiri	President and Chief Executive Officer
	3	Mr. Jean Paul Thevenin	Director
	4	Ms. Ausana Mahagitsiri	Director
	5	Mr. Kamolsut Dabbaransi	Director
	6	Mr. Somchai Chaisuparakul	Director
	7	Mr. Somboonkiat Kasemsuwan	Independent Director, Chairman of the Audit Committee
	8	Mr. Santi Bangor	Independent Director, Audit Committee
	9	Mr. Cherdpong Siriwit	Independent Director, Audit Committee
	10	Mr. Chitrapongse Kwangsukstith	Independent Director
11	Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director	

Source: One Report of the Company for the year 2021



#### 4.1.2 Background of the Company

Thoresen Thai Agencies Public Company Limited was established in Hong Kong in 1904 initially provided shipping services to Norwegian companies on the coast of China and Asian businesses trading between China and Thailand under the name Thoresen & Co., Limited (Hong Kong). As Thoresen's transportation services expanded in the Asia-Pacific region, its Bangkok office became ever busier, culminating in the establishing of Thoresen & Company (Bangkok) Ltd. on 31 October 1974, with a registered capital of Baht 100,000. All business activities done by the branch office were transferred to its new company. In order to convert into a public company limited, Thoresen Thai Agencies Limited purchased all shares in Thoresen & Company (Bangkok) Limited. It was also decided that Thoresen Thai Agencies Limited would own shares of all newly established group companies. As of 31 December 2022, the Company had issued capital of THB 1,998,446,888.00 and paid-up capital of THB 1,822,464,564.00 consists of 1,822,464,564 ordinary shares with a par value of THB 1.00

The Company had significant changes and events as follows:

Year	Important Event
2017	<ul style="list-style-type: none"> <li>▪ The Company established 70.00 percent owned subsidiary PH Capital Co., Ltd. (PHC) and through PHC, the Company successfully acquired the Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. (YUM) on 1 June 2017. PHC has been operating all Pizza Hut restaurants in Thailand since then.</li> <li>▪ The Company and TSS established Thoresen Shipping (Thailand) Co., Ltd. (TST) to own and operate Thai-flagged vessels. One vessel was transferred from TSS to TST to operate business. Mermaid acquired a 49.00 percent stake in Cambodian company, PTGC Co., Ltd. (PTGC), to generate future returns</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ The Company, through its 70.00 percent owned subsidiary Siam Taco Company Limited (STC) was granted the rights to enter into a Franchise Agreement (the Agreement was signed in early 2019) with Taco Bell Restaurants Asia Pte. Ltd. (TBRA) to operate Taco Bell restaurants in Thailand and to expand its business into fast-growing and stable food retail sector.</li> <li>▪ TTA issued 2 tranches of senior unsecured domestic debentures in the total amount of Baht 3,305.2 million to repay maturing debentures and increase its working capital.</li> <li>▪ The Company acquired an 80.50 percent stake in a Thai water service specialist, Asia Infrastructure Management (Thailand) Company Limited (AIM), to enhance its existing water business. Asia Coating Services Ltd. (ACS) (currently known as V Ventures Technologies Co., Ltd. (VVT), 99.99 percent owned subsidiary of the Company, acquired a 16.67 percent stake in Alpha Digital Pte. Ltd. (Alpha) in Singapore to invest in V-Finance Technologies Ltd. (V-Finance), a company incorporated in Israel.</li> </ul>
2019	<ul style="list-style-type: none"> <li>▪ The Company disposed 40.00 percent of its interests in PMT Property Co., Ltd. (PMT), a 99.99 percent owned subsidiary of the Company, to Kanden Realty &amp; Development Co., Ltd. (KRD) on 19 July 2019 to jointly develop real estate business on the land owned by PMT.</li> </ul>
2020	<ul style="list-style-type: none"> <li>▪ The Company issued a senior unsecured domestic debentures with debenture holders' representative in the total amount of Baht 716 million.</li> <li>▪ Mermaid International Ventures (MIV), Mermaid's wholly-owned subsidiary, disposed all its shares in Asia Offshore Drilling (AOD) to Seadrill Ltd. in September 2020.</li> </ul>



Year	Important Event
	<ul style="list-style-type: none"> <li>▪ Mermaid Subsea Services (Thailand) Ltd. (MSST) set up 2 joint venture companies in September 2020 under the name of ZeaQuest Co., Ltd. to develop AI and robotic technologies to provide subsea engineering services and Mermaid- MOE JV Co., Ltd. to provide engineer, procurement, construct and installation services for the petrochemical, energy, and upstream oil and gas industry.</li> </ul>
2021	<ul style="list-style-type: none"> <li>▪ The Company issued a senior unsecured domestic debenture with debenture holders' representative in the total amount of Baht 1,500 million</li> <li>▪ The Company redeemed the Company's debentures No. 1/2018 in the amount of Baht 1,805 million according to the redemption schedule.</li> <li>▪ Mermaid Ventures Co., Ltd. (MV) established a joint venture company called KK Venture Company Limited (KKV) with Fico Corporation Company Limited (FICO), holding 50.00 percent each, to own and operate technology-based businesses.</li> <li>▪ Mermaid Subsea Services (Thailand) Ltd. (MSST) established 100 percent owned subsidiary called Mermaid Subsea Oil and Gas Services DMCEST (MSOG) to provide subsea and related services.</li> <li>▪ V Ventures Technologies Co., Ltd. (VVT) acquired a 60.00 percent stake in Skootar Beyond Co., Ltd. (SKOOTAR) to expand the potential for the Company's business operation in segment of logistics in order to cover the online platform.</li> <li>▪ The Company established 100 percent owned subsidiary Thoresen FSO Co., Ltd. (TFSO) to provide floating storage and offloading.</li> </ul>

Source: One Report of the Company for the year 2021



### 4.1.3 Shareholders of the Company

Table of top 10 shareholders of the Company

Rank	Shareholder	No. of shares	Percentage
1	Mr. Chalermchai Mahagitsiri <sup>/1, /2</sup>	277,679,159	15.24
2	Credit Suisse AG, Singapore Branch <sup>/1, /2</sup>	150,004,700	8.23
3	Thai NVDR Company Limited	148,455,376	8.15
4	Ms. Ausana Mahagitsiri <sup>/2</sup>	99,866,937	5.48
5	Mr. Pipat Tiathawat	89,000,000	4.88
6	South East Asia UK (Type C) Nominees Limited	48,010,334	2.63
7	Mr. Prayudh Mahagitsiri <sup>/3</sup>	35,253,358	1.93
8	State Street Europe Limited	26,326,046	1.44
9	DBS Bank Ltd. AC DBS Nominees-PB Clients <sup>/3</sup>	22,620,700	1.24
10	Mr. Sanit Kongnok	19,997,300	1.10
11	Other shareholders	905,250,654	49.67
<b>Total</b>		<b>1,822,464,564</b>	<b>100.00</b>

Source: The Company's book of shareholder registration as of 28 February 2023

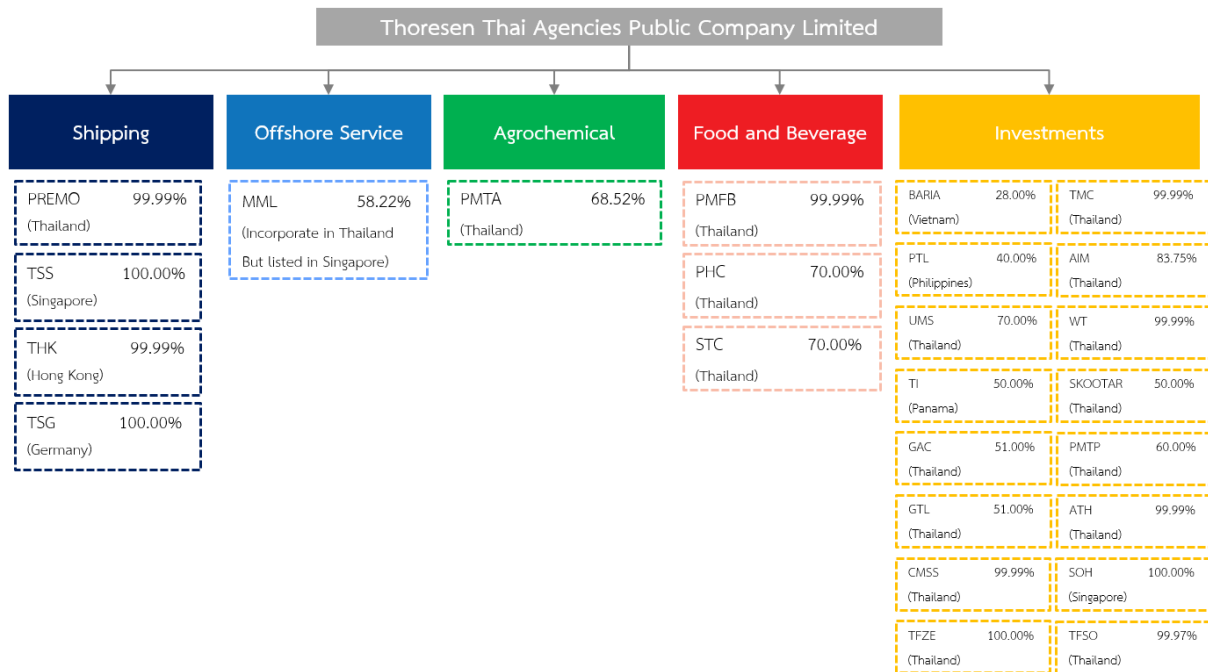
Remark: 1/ Mr. Chalermchai Mahagitsiri indirectly held 150,000,000 shares under a custodian account. The combined shares of Mr. Chalermchai Mahagitsiri both direct and indirect is totaling 427,679,159 shares or 23.47 percent of the total issued and paid-up shares of the Company.

2/ Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri, the Company's directors and executives, held 527,546,096 shares or 28.95 percent of the total issued and paid-up shares of the Company. However, the shareholding of the two persons is not a group of persons acting jointly in concert (Concert Party) pursuant to the Notification of the Capital Market Supervisory Board No. 7/2552 re: acting in concert as a result of the nature of a relationship or behavior and requirements under sections 246 and 247

3/ Mr. Prayudh Mahagitsiri indirectly held 22,620,700 shares under a custodian account. The combined shares of Mr. Prayudh Mahagitsiri both direct and indirect is totaling 57,874,058 shares or 3.18 percent of the total issued and paid-up shares of the Company.



#### 4.1.4 Company structure of the Company



Source: One Report of 2022 of the Company

Abbreviation: Shipping Business Group 1) PREMO - Premo Shipping Public Company Limited 2) TSS - Thoresen Shipping Singapore Pte. Ltd. 3) THK - Thoresen Chartering (HK) Limited 4) TSG - Thoresen Shipping Germany GmbH Offshore Services 1) MML - or Mermaid Maritime Public Company Limited Agrochemicals 1) PMTA - PM Thoresen Asia Holdings Public Company Limited Food and Beverage 1) PMFB - PMFB Ltd. 2) PHC - PH Capital Co., Ltd. 3) STC - Siam Taco Co., Ltd. Other Investment Businesses 1) BARIA - Baria Serece 2) PTL - Petrolift Inc. 3) UMS - Unique Mining Services Public Company Limited 4) TI - Thoresen (Indochina) S.A. 5) GAC - Gulf Agency Company (Thailand) Ltd. 6) GTL - GAC Thoresen Logistics Ltd. 7) CMSS - Chidlom Marine Services and Supplies Ltd. 8) TFZE - Thoresen Shipping FZE 9) TMC - TTA Mariner Co., Ltd. 10) AIM - Asia Infrastructure Management (Thailand) Company Limited. 11) VVT - V Ventures Technology Co., Ltd. 12) SKOOTAR - Skootar Beyond Company Limited 13) PMTP - PMT Property Company Limited. 14) ATH - Athene Holdings Ltd. 15) SOH - Soleado Holdings Pte. Ltd. 16) TFZO - Thoresen FSO Co., Ltd.



#### 4.1.5 Related Party Transactions in the Past Year and the Current Fiscal Year (2020-2022)

Related party transactions between the Company, subsidiaries, associates, and joint ventures are shown in the notes to the consolidated financial statements. All related party transactions mostly occur in the normal course of business and the pricing is akin to market prices or at an arm's length basis. Such related party transactions have complied with law, announcement, notification, and other regulations determined by the regulatory agencies. All transactions must have complied with the principles of good corporate governance, transparency besides reasonable to create the highest benefit for the Company.

Major related party transactions between the Company and its subsidiaries with associates or joint ventures or a transaction with a company or persons that may have conflicts of interest are shown as follows:



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>1. Mermaid Maritime PLC. (“MMPLC”) and ZeaQuest Co., Ltd. (“Zeaquest”)</p> <p><i>Mermaid Maritime PLC. (“MMPLC”) is a 58.2% subsidiary held by the Company. Zeaquest is a 50% joint venture held by Mermaid Subsea Services (Thailand) Ltd. (“MSST”) whom wholly owned by MMPLC.</i></p>	<p>ZeaQuest Co., Ltd. entered into rental agreement with MMPLC for office rental of 2 locations.</p> <p>1) Office at Bangkok: The service fee consists of rental and service fee and charge at 300-600 Baht per sq.m. which is a year-to-year rental agreement.</p> <p>2) Office at Pinthong Industrial Park (Chonburi): Rental charge and service fee charge at 12,500 USD per month. Zeaquest will renew the agreement every 2 years.</p> <p>MMPLC recognized such transaction as</p> <ul style="list-style-type: none"> <li>Rental income</li> <li>Receivables from related parties</li> </ul>				<p>The rental and service fee are a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is like market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
		736	6,721	7,514	
		498	-	52	



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	<p>MMPLC lent money to Zeaquest with interest rate of 7.0% p.a. Zeaquest used such loan as its working capital.</p> <p>MMPLC recorded such transaction as short-term loans to related parties.</p> <p>MMPLC recorded interest income from such loan as</p> <ul style="list-style-type: none"> <li>Interest income</li> </ul>	-	-	43,203	The interest rate is set up based on the borrowing cost of MMPLC plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.
<p>2. Mermaid Maritime PLC. ("MMPLC") and PSM Land Co., Ltd.</p> <p><i>Mermaid Maritime PLC. ("MMPLC") is a 58.2% subsidiary held by the Company.</i></p> <p><i>Both MMPLC and PSM Land Co., Ltd. have Mr. Chalermchai Mahagitsiri as director and shareholder.</i></p>	<p>MMPLC entered into office rental agreement of 368 sq.m. with PSM Land Co., Ltd. Rental charge and service fee charge at 410 Baht per sq.m. /per month. MMPLC will renew the agreement every 3 years.</p> <p>MMPLC recognized such transaction as rental expense.</p>	1,806	1,819	1,811	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.





Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>3. Mermaid Subsea Services (Thailand) Ltd. (“MSST”) and Gulf Agency Company (Thailand) Ltd. (“GAC”)</p> <p><i>Mermaid Maritime PLC. (“MMPLC”) is a 58.2% subsidiary held by the Company. And MMPLC holds 100% stake in MSST. GAC is a 51% associates held by the Company.</i></p> <p><i>Both MSST and GAC have Mr. Chalermchai Mahagitsiri as director.</i></p>	<p>MSST engaged GAC for customs clearance of goods and transportation.</p> <p>MSST recognized such transaction as</p> <ul style="list-style-type: none"> <li>• Cost of providing services</li> <li>• Trade payables</li> </ul>	<p>871</p> <p>72</p>	<p>2,003</p> <p>1,402</p>	<p>28,918</p> <p>14,933</p>	<p>The service fees were determined based on the price GAC normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
<p>4. Mermaid Subsea Services (Thailand) Ltd. (“MSST”) and ZeaQuest Co.,Ltd (“Zeaquest”)</p> <p><i>Mermaid Maritime PLC. (“MMPLC”) is a 58.2% subsidiary held by the Company. And MMPLC holds 100% stake in MSST. Zeaquest is a 50% joint venture held by Mermaid Subsea Services (Thailand) Ltd. (“MSST”) whom wholly owned by MMPLC.</i></p>	<p>MSST provided accounting, legal, other back-office services and charter hire service to ZeaQuest Co., Ltd.</p> <p>MSST recorded such transaction as</p> <ul style="list-style-type: none"> <li>• Offshore service income</li> <li>• Management fee income</li> <li>• Receivables from related parties</li> </ul>	<p>-</p> <p>1,323</p> <p>-</p>	<p>165</p> <p>7,675</p> <p>-</p>	<p>92,059</p> <p>5,869</p> <p>4,498</p>	<p>The service fees were determined based on the price MSST normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	<p>MSST paid to ZeaQuest Co., Ltd. for subcontractor cost, charter hire, mobilization cost, recharged cost and office supply.</p> <p>MSST recorded such transaction as</p> <ul style="list-style-type: none"> <li>• Cost of service</li> <li>• Trade payables</li> </ul>	-	66,992	223,513	
<p>5. Mermaid Subsea Services (Thailand) Ltd. ("MSST") and Millennium 3 Ship Management And Operations DMCCO ("M3JV").</p> <p><i>Mermaid Maritime PLC. ("MMPLC") is a 58.2% subsidiary held by the Company. And MMPLC holds 100% stake in MSST. And MSST holds 100% stake in Mermaid Subsea Oil and Gas Services DMCEST ("MSOGS") which holds 50% stake in M3JV.</i></p>	<p>MSST sold support vessel ("Millennium 3") to M3JV at a market price.</p> <p>Due to M3JV has not made a payment yet, MSST recognized such transaction as receivables from related parties.</p>	-	534,718	552,998	The selling price is approximately at market price. As aforementioned, such transactions were reasonable and create the benefit for the Company.
<p>6. Mermaid Subsea Services (International) Ltd. ("MSSI") and Zamil Mermaid Offshore Services Company (LLC) ("ZMOS")</p>	<p>ZMOS engaged MSSI for offshore services to Saudi Aramco.</p> <p>MSSI recognized such transaction as</p> <ul style="list-style-type: none"> <li>• Service income</li> </ul>	1,772,666	1,871,250	2,227,383	The service fees were determined based on the price MSSI normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p><i>Mermaid Maritime PLC. ("MMPLC") is a 58.2% subsidiary held by the Company. And MMPLC holds 100% and 40% stake in MSSl and ZMOS, respectively.</i></p>	<ul style="list-style-type: none"> <li>Trade receivables</li> </ul>	322,859	337,962	591,692	
<p>7. Mermaid Subsea Services (International) Ltd. ("MSSI") and ZeaQuest Co.,Ltd ("Zeaquest")</p> <p><i>Mermaid Maritime PLC. ("MMPLC") is a 58.2% subsidiary held by the Company. And MMPLC is an ultimate parent of MSSl. Zeaquest is a 50% joint venture held by Mermaid Subsea Services (Thailand) Ltd. ("MSST") whom wholly owned by MMPLC.</i></p>	<p>MSSI sold Remotely Operated Vehicle ("ROV") to ZeaQuest Co., Ltd at a market price.</p> <p>MSSI recorded such transaction as</p> <ul style="list-style-type: none"> <li>Other income</li> <li>Receivables from related parties</li> </ul>	-	6,316	-	<p>The selling price is approximately at market price. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
		-	1,428	-	
<p>8. Baconco Co., Ltd. ("Baconco") and Thoresen (Indochina) SA. ("TI")</p> <p><i>The Company holds a 68.5% stake in PM Thoresen Asia Holdings PLC. ("PMTA"), a subsidiary of the Company. And PMTA wholly holds Baconco. TI is a 50.0% joint venture held by the Company.</i></p>	<p>Baconco received maritime transportation services from TI.</p> <p>Baconco recognized such transaction as transportation expense.</p>	77,501	59,106	108,471	<p>The service fees were determined based on the price normally charge to a third party which based on quantity and distance of shipment. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p><i>PMTA and TI have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Mr. Sigmund Stromme</i></li> </ul>	Trade payables	2,571	-	48,337	Price and trading conditions are in line with those which TI charged to other customers.
<p>9. Baconco Co., Ltd. ("Baconco") and Thoresen-Vinama Co., Ltd. ("TVA")</p> <p><i>The Company holds a 68.5% stake in PM Thoresen Asia Holdings PLC. ("PMTA"), a subsidiary of the Company. And PMTA wholly holds Baconco. Thoresen (Indochina) S.A. ("TI") is a 50% joint venture held by the Company and TI holds 49% in TVA.</i></p>	<p>Baconco rent out a factory area to TVA at space of 76,646 sq.m. This contract will automatically renew every 5 years.</p> <p>Baconco recognized such transaction as</p> <ul style="list-style-type: none"> <li>● Rental income</li> <li>● Trade receivables</li> </ul>	<p>46,278</p> <p>2,975</p>	<p>59,872</p> <p>7,373</p>	<p>95,331</p> <p>11,333</p>	The rental and service fee is a fixed rate per sq.m. which are the same price TVA normally charged to a third party. The rental and service fee are computed based on area. Such price is like Vietnamese's current market price. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
<p><i>PMTA and TVA have a common director being Mr. Sigmund Stromme</i></p>	<p>Baconco received maritime transportation services from TVA.</p> <p>Baconco recognized such transaction as</p> <ul style="list-style-type: none"> <li>● Transportation expense</li> <li>● Trade payables</li> </ul>	<p>41,708</p> <p>4,616</p>	<p>67,870</p> <p>778</p>	<p>77,449</p> <p>10,662</p>	The service fees were determined based on the price TVA normally charge to a third party which based on quantity and distance of shipment. Price and trading conditions are in line with those which TVA charged to other customers. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>10. Baconco Co., Ltd. ("Baconco") and Thoresen-Vinama Logistic Co., Ltd. ("TVL")</p> <p><i>The Company holds a 68.5% stake in PM Thoresen Asia Holdings PLC. ("PMTA"), a subsidiary of the Company. And PMTA wholly holds Baconco. Thoresen (Indochina) S.A. ("TI") is a 50% joint venture held by the Company and TI holds 49% in TVA and TVA wholly holds TVL.</i></p> <p><i>PMTA and TVL have a common directors being Mr. Sigmund Stromme</i></p>	<p>Baconco received maritime transportation services from TVL.</p> <p>Baconco recognized such transaction as</p> <ul style="list-style-type: none"> <li>• Transportation expense.</li> <li>• Trade payables</li> </ul>	<p>31,504</p> <p>3,034</p>	<p>38,360</p> <p>4,218</p>	<p>34,149</p> <p>6,076</p>	<p>The service fees were determined based on the price TVL normally charge to a third party which based on quantity and distance of shipment. Price and trading conditions are in line with those which TVL charged to other customers. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
<p>11. Baconco Co., Ltd. ("Baconco") and Baria Serece ("Baria")</p> <p><i>The Company holds a 68.5% stake in PM Thoresen Asia Holdings PLC. ("PMTA"), a subsidiary of the Company. And PMTA wholly holds Baconco. The Company wholly holds Soleado Holdings Pte. Ltd. ("Soleado") and Soleado holds a 28% stake in Baria.</i></p>	<p>Baconco received maritime transportation services from Baria.</p> <p>Baconco recognized such transaction as transportation expense.</p> <p>Baconco received services from Baria.</p> <p>Baconco recognized such transaction as</p> <ul style="list-style-type: none"> <li>• Administrative expense</li> <li>• Trade payables</li> </ul>	<p>20,930</p> <p>4,341</p> <p>1,157</p>	<p>16,281</p> <p>3,525</p> <p>1,638</p>	<p>19,187</p> <p>-</p> <p>2,469</p>	<p>The service fees were determined based on the price normally charge to a third party which based on quantity and distance of shipment. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p><i>PMTA and Baria have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Mr. Sigmund Stromme</i></li> </ul>					
<p>12. Thoresen Thai Agencies Plc. (“TTA”) and Mermaid Maritime Plc. (“MMPLC”)</p> <p><i>TTA holds a 58.2% stake in MMPLC.</i></p> <p><i>TTA and MMPLC have three common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Mr. Prasert Bunsumpun</i></li> <li>● <i>Mr. Jean Paul Thevenin</i></li> </ul> <p><i>And Mr. Chalermchai Mahagitsiri holds shares in both TTA and MMPLC.</i></p>	<p>TTA entered into an agreement with MMPLC to lease office space in Bangkok of 417 square meters. This agreement was expired in October 2020. Service fees under the contract consist of rental and service fees.</p> <p>TTA recorded such transaction as rental and facilities income.</p>	1,780	-	-	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	<p>TTA provided IT service to MMPLC.</p> <p>TTA recorded such transaction as IT support income.</p>	156	72	72	Same price as normally charged to a third party. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	<p>TTA provided support service charge to MMPLC.</p> <p>TTA recorded such transaction as other income.</p>	-	-	1,503	
	<p>Referring to the loan agreement dated 1 December 2021, TTA lent money to MMPLC of USD 5.0 million with interest rate of 7% p.a. MMPLC intends to use such loan as its working capital.</p> <p>Subsequently on 17 March 2022, TTA and MMPLC are entered into a new loan agreement by TTA lent money to MMPLC of USD 4.0 million with interest rate of 7% p.a. MMPLC intends to use such loan as its working capital.</p>				The transaction approved by the Board of Directors. The interest rate is set up based on the borrowing cost of TTA plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	TTA recorded such transaction as short-term loans to related parties.				



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	TTA recorded interest income from such loan as <ul style="list-style-type: none"> <li>• Interest income</li> <li>• Accrued interest income.</li> </ul>	-	169,462	309,522	
		-	291	12,867	
		-	291	-	
	Receivables from related party	-	153	4,370	Same price as normally charged to a third party.
	Payables to related party.	101	-	-	
<p>13. Thoresen Thai Agencies Plc. (“TTA”) and Mermaid Subsea Services (Thailand) Ltd. (“MSST”)</p> <p><i>TTA holds a 58.2% stake in Mermaid Maritime Plc. (“MMPLC”) and MMPLC holds 100% stake in MSST.</i></p> <p><i>TTA and MSST have two common directors being:</i></p> <ul style="list-style-type: none"> <li>• Mr. Chalermchai Mahagitsiri</li> <li>• Mr. Jean Paul Thevenin</li> </ul>	<p>Referring to guarantee agreement dated 16 September 2021, TTA shall be a guarantor to MSST under the loan facility from a financial institution that the maximum principal amount not exceeding Baht 100.0 million or equivalent amount. TTA charges 0.5% p.a. to MSST as guarantee fee.</p> <p>TTA recorded such transaction as other income.</p>	-	147	476	The transaction approved by the Board of Directors. The guarantee fee is set up at the same rate that a financial institution normally charges to its client. As aforementioned, such transactions were reasonable and create the benefit for the Company.





Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>14. Thoresen Thai Agencies Plc. (“TTA”) and PM Thoresen Asia Holdings Plc. (“PMTA”)</p> <p><i>TTA holds a 68.5% stake in-PMTA.</i></p> <p><i>TTA and PMTA have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Mr. Jean Paul Thevenin</i></li> </ul> <p><i>And Mr. Chalermchai Mahagitsiri holds shares in both TTA and PMTA.</i></p>	<p>TTA leased office space of 182.25 sq.m. to PMTA which is a year-to-year rental agreement.</p> <p>TTA recorded such transaction as rental and facilities income.</p>	984	984	984	<p>The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
	<p>TTA provided IT service to PMTA.</p> <p>TTA recorded such transaction as IT support income.</p>	66	66	66	<p>Same price as normally charged to a third party. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	TTA provided accounting service and other services to PMTA	212	185	513	
	TTA recorded such transaction as other income.				
	TTA receive dividend from PMTA.  TTA recorded such transaction as dividend income.	34,669	48,537	34,669	The transaction approved by PMTA's Annual General Meeting. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	Due to above mentioned service providing, the uncollectible balance is recorded as receivables from related parties.	321	319	416	Price and condition are in line with market.
15. Thoresen Thai Agencies Plc. ("TTA") and PH Capital Co., Ltd ("PHC")	TTA leased office space to PHC for office rental of 4 locations.	1,781	1,759	4,099	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p><i>PHC has stakeholder from TTA and PM Capital Co., Ltd. ("PMC") which hold 70% and 30% respectively.</i></p> <p><i>TTA and PHC have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Ms. Ausana Mahagitsiri</i></li> <li>● <i>Mr. Kamolsut Dabbaransi</i></li> </ul> <p><i>And Ms. Ausana Mahagitsiri holds shares and being director in both TTA and PMC.</i></p>	<p>1. TTA leased office space of 44 sq.m. to PHC.</p> <p>2. TTA leased office space of 34 sq.m. to PHC.</p> <p>3. TTA leased office space of 30 sq.m. to PHC.</p> <p>4. TTA leased office space of 729 sq.m. to PHC.</p> <p>TTA recorded such transaction as rental and facilities income.</p>				<p>contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
	<p>TTA provided IT service to PHC.</p> <p>TTA recorded PHC as IT support income.</p>	130	140	300	
	<p>Receivables from related parties</p>	-	-	1,574	



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	Payables from related parties	2,187	2,189	-	
<p>16. Thoresen Thai Agencies Plc. (“TTA”) and Siam Taco Co., Ltd (“STC”)</p> <p><i>STC has stakeholder from TTA and CM Corporate Co., Ltd. (“CMC”) which hold 70% and 30% respectively.</i></p> <p><i>TTA and STC have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Mr. Kamolsut Dabbaransi</i></li> </ul> <p><i>And Mr. Chalermchai Mahagitsiri holds shares and being director in both TTA and CMC.</i></p>	<p>TTA leased office space of 120 sq.m. to STC which is a year-to-year rental agreement.</p> <p>TTA recorded such transaction as rental and facilities income.</p>	529	648	648	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	TTA provided service for room and utilization to STC.	43	5	-	



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	TTA recorded such transaction as admin and facilities income.				
	TTA provided IT service to STC.  TTA recorded such transaction as IT support income.	360	360	360	Same price as normally charged to a third party. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	TTA purchased food and beverages for STC's meeting.  TTA recorded such transaction as admin and facilities income.	262	9	11	
	TTA shared the software IT expense with STC.	-	348	-	



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	TTA recorded such transaction as IT expenses.				
	TTA provided guarantee fee to STC. Agreement period is 6 years.  TTA recorded such transaction as other income.	-	-	73	Same price as normally charged to a third party. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	Receivables from related parties	-	-	88	
17. Thoresen Thai Agencies Plc. ("TTA") and PMT Property Co., Ltd ("PMTP")  <i>PMTP has stakeholder from TTA, Kanden Realty &amp; Development Co., Ltd. ("KRD") and Toray Construction Co., Ltd. which hold 60%, 30% and 10%, respectively.</i>  <i>TTA and PMTP have two common directors being:</i>  ● Mr. Chalermchai Mahagitsiri	TTA leased office space of 166 sq.m. to PMTP which is a year-to-year rental agreement.  TTA recorded such transaction as rental and facilities income.	766	896	896	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<ul style="list-style-type: none"> <li>Ms. Ausana Mahagitsiri</li> </ul>					
	<p>TTA provided IT service to PMTP.</p> <p>TTA recorded such transaction as IT support income.</p>	360	360	390	Same price as normally charged to a third party. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	<p>TTA provided accounting, HR and admin service to PMTP.</p> <p>TTA recorded such transaction as admin and facilities income.</p>	960	960	960	
	<p>TTA provided consultant service to PMTP. Agreement period is 1 year.</p> <p>TTA recorded such transaction as admin and facilities income.</p>	-	1,267	210	



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	<p>TTA lent money to PMTP with interest rate of 7% p.a. PMTP used such loan as its working capital.</p> <p>TTA recorded such transaction as short-term loans to related parties.</p> <p>TTA recorded interest income from such loan as interest income.</p>	1,139,631	1,163,631	1,235,631	The transaction approved by the Board of Directors. The interest rate is set up based on the borrowing cost of TTA plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.
	Receivables from related parties	112,824	193,286	278,836	
<p>18. Thoresen Thai Agencies Plc. (“TTA”) and Asia Infrastructure Management (Thailand) Co., Ltd. (“AIM”)</p> <p><i>TTA holds stake in AIM as of 31 December as follows.</i></p> <p><i>2022 89.4%</i></p> <p><i>2021 83.8%</i></p>	<p>TTA lent money to AIM with interest rate of 7% p.a. AIM used such loan as its working capital.</p> <p>TTA recorded such transaction as short-term loans to related parties.</p>	180,000	171,800	171,800	The transaction approved by the Board of Directors. The interest rate is set up based on the borrowing cost of TTA plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.





Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>2020 80.5%</p> <p>TTA and AIM have two common directors being:</p> <ul style="list-style-type: none"> <li>• Mr. Chalermchai Mahagitsiri</li> <li>• Mr. Jean Paul Thevenin</li> </ul>	<p>TTA recorded interest income from such loan as</p> <ul style="list-style-type: none"> <li>• Interest income</li> <li>• Receivables from related parties</li> </ul> <p>Accrued interest income</p>	<p>3,124</p> <p>7,713</p> <p>359</p>	<p>11,234</p> <p>6,072</p> <p>1,295</p>	<p>15,248</p> <p>21,926</p> <p>1,291</p>	
	<p>TTA provided consultant service to AIM. Agreement period is 1 year.</p> <p>TTA recorded such transaction as admin and facilities income.</p>	-	-	6,750	Same price as normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.
<p>19. Thoresen Thai Agencies Plc. (“TTA”) and PH Macaron (Thailand) Co., Ltd.</p> <p>TTA and PH Macaron Co., Ltd. have two common directors being:</p> <ul style="list-style-type: none"> <li>• Mr. Chalermchai Mahagitsiri</li> <li>• Ms. Ausana Mahagitsiri.</li> </ul>	<p>TTA purchased goods as gifts for new year from PH Macaron Co., Ltd.</p> <p>TTA recorded such transaction as gift and new year gift.</p>	-	169	114	Same price as normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
20. Thoresen Thai Agencies Plc. ("TTA") and Four One One Entertainment Co., Ltd.  <i>TTA and Four One One Entertainment Co., Ltd. have two common directors being:</i>	TTA rent space on Ground Floor of 120 sq.m. from Four One One Entertainment Co., Ltd. at Baht 850 per sq.m. The agreement had expired and not renewed since 14 February 2021  TTA recorded such transaction as rental-office expenses and utilities expenses.	1,262	155	-	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.
21. Thoresen Thai Agencies Plc. ("TTA") and Four One One Ecommerce Co., Ltd.  <i>TTA and Four One One Ecommerce Co., Ltd. have three common directors being:</i>	TTA leased office space to Four One One Ecommerce Co., Ltd. The agreement had expired and not renewed since 2021  TTA recorded such transaction as rental and facilities income.	486	365	-	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
					reasonable and create the benefit for the Company.
<p>22. Thoresen Thai Agencies Plc. (“TTA”) and Natural Bev. Co., Ltd.</p> <p><i>TTA and Natural Bev. Co., Ltd. have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Ms. Ausana Mahagitsiri.</i></li> </ul>	<p>TTA purchased goods as gifts for new year from Natural Bev. Co., Ltd.</p> <p>TTA recorded such transaction as gift and new year gift.</p>	280	1,015	749	Same price as Natural Bev. Co., Ltd. normally charged to a third party. As aforementioned, such transactions were reasonable and create the benefit for the Company.
<p>23. Thoresen Thai Agencies Plc. (“TTA”) and PSM Land Co., Ltd</p> <p><i>TTA and PSM Land Co., Ltd. have two common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Ms. Ausana Mahagitsiri</i></li> </ul>	<p>TTA has leased an office building of 361 square meters from PSM Land Co., Ltd. at the rental and service fees of 300 baht per square meter and 110 baht per square meter, respectively. The contract starts from January 1, 2019 to December 31, 2021 with the extension of the contract for another 3 years. The rental and service fees charged</p>	1,697	1,776	1,787	The rental and service fee is a fixed rate per sq.m. which are the same price normally charged to a third party. Such price is similar to market price at the time of contract. The rental and service fee are computed based on area. The fee will be billed and collected on monthly basis. As aforementioned, such transactions were reasonable and create the benefit for the Company.



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
	<p>under the contract are 108,300 baht and 39,710 per month, respectively.</p> <p>TTA recorded such transaction as office rental expenses.</p>				
<p>24. Soleado Holdings Pte. Ltd. ("SOH") and Thoresen Vinama Tug Joint Stock Company ("TVT")</p> <p><i>TVT is held by Thoresen Vinama Logistics Co., Ltd. ("TVL") and SOH at 51.0% and 34.0%, respectively.</i></p>	<p>SOH lent money to TVT with interest rate of 3.5% p.a. TVT used such loan as its working capital.</p> <p>SOH recorded such transaction as short-term loans to related party.</p> <p>SOH recorded interest income from such loan as</p> <ul style="list-style-type: none"> <li>● Interest income</li> <li>● Accrued interest income.</li> </ul>	<p>12,408</p> <p>151</p> <p>147</p>	<p>11,801</p> <p>431</p> <p>223</p>	<p>9,266</p> <p>381</p> <p>175</p>	<p>The interest rate is set up based on the borrowing cost of SOH plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p>25. Soleado Holdings Pte. Ltd. ("SOH") and Petrolift Inc.</p> <p><i>TTA holds a 100.0% stake in SOH and SOH holds a 40.0% stake in Petrolift Inc.</i></p>	<p>SOH lent money to Petrolift Inc. with interest rate of 7.0% p.a. Petrolift Inc. used such loan as its working capital.</p> <p>SOH recorded such transaction as short-term loans to related parties.</p> <p>SOH recorded interest income from such loan as</p> <ul style="list-style-type: none"> <li>● Interest income</li> <li>● Accrued interest income.</li> </ul>	-	-	115,496	<p>The interest rate is set up based on the borrowing cost of SOH plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>
		-	-	3,106	
		-	-	898	
<p>26. V Ventures Technologies Co., Ltd. ("VVT") (formerly "Asia Coating Services Ltd.") and Praneat Co., Ltd. ("Praneat")</p> <p><i>TTA holds a 99.99% stake in VVT and VVT holds a 50.0% stake in Praneat.</i></p>	<p>VVT lent money to Praneat with interest rate of 8% p.a. Praneat used such loan as its working capital.</p> <p>VVT recorded such transaction as short-term loans to related parties.</p>	-	7,000	-	<p>The interest rate is set up based on the borrowing cost of VVT plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



Name of related party / Relationship	Description of Transactions	Transaction amount (Thousand Baht)			Pricing policy and reasonable of transaction
		2020	2021	2022	
<p><i>TTA and VVT have three common directors being:</i></p> <ul style="list-style-type: none"> <li>● <i>Mr. Chalermchai Mahagitsiri</i></li> <li>● <i>Ms. Ausana Mahagitsiri</i></li> <li>● <i>Mr. Kamolsut Dabbaransi.</i></li> </ul>	<p>WT recorded interest income from such loan as</p> <ul style="list-style-type: none"> <li>● Interest income</li> <li>● Accrued interest income.</li> </ul>	-	12 12	219 -	
<p>27. V Ventures Technologies Co., Ltd. (“VVT”) (formerly “Asia Coating Services Ltd.”) and KK Venture Co., Ltd. (“KKV”)</p> <p><i>TTA holds a 99.99% stake in VVT and VVT holds a 50.0% stake in KKV.</i></p> <p>1)</p>	<p>VVT lent money to KKV with interest rate of 2% p.a. KKV used such loan as its working capital.</p> <p>VVT recorded such transaction as long-term loans to related parties.</p> <p>VVT recorded interest income from such loan as interest income</p>	-	-	31,668 557	<p>The interest rate is set up based on the borrowing cost of VVT plus margin. As aforementioned, such transactions were reasonable and create the benefit for the Company.</p>



#### 4.1.6 Business Overview of the Company

There are 5 main business groups of the Company as follows:

##### 1. Shipping Group

- **Thoresen Shipping Singapore Pte. Ltd (Thoresen Shipping)**

Thoresen Shipping and is an internationally acclaimed participant in the global freight markets. Thoresen Shipping provides worldwide deep-sea transportation services, hauling a wide range of dry bulk and breakbulk commodities such as mineral ore, coal, agriculture products, construction materials, and steel products. Thoresen Shipping's fleet services our clients' requirements in the spot market, under time charters, and through Contracts of Affreightment ("COA"). In addition to the tonnage supplied by our vessels, the company further complement our feet with chartered-in vessels to better address the growing demand in the market. The combined fleet is commercially managed by experienced and professional teams based in Singapore, Thailand, United Arab Emirates, and the United Kingdom. Thoresen Shipping vessels, and those they charter in, are fitted with cranes, which enable self-loading and self-discharging of cargoes in ports with limited or no shore-based infrastructure. The ability to call in these less facilitated ports, which are often doors to emerging markets, provides Thoresen Shipping with cargo handling leverages. Nevertheless, Thoresen Shipping's competitive advantages continue to come from the efficiency of our operation and the skills of our people.

##### 2. Offshore Services Group

The main operating company is Mermaid Maritime Public Company Limited (MML), a listed company on the Singapore Stock Exchange (SGX), in which TTA holds a 58.22 percent stake. In this regard, the revenue proportion of the offshore service business group is accounted for 20.00 percent and 16.00 percent of TTA's total revenue in 2020 and 2021, respectively.

- **Mermaid Maritime Public Company Limited (MML)**

Mermaid Maritime Public Company Limited (MML) is a Thailand-based subsea services company. The company offers sub-sea engineering and inspection by divers and remotely operated vehicle (ROV) systems and ownership and operations of a fleet of offshore service vessels. MML is a leading international subsea services company for major oil and gas companies or their contractors. Our corporate headquarters is in Asia (Thailand). MML has operational bases in South East Asia, West Africa, the Middle East and the North Sea. MML provides full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving and survey equipment as well as remotely operated vehicles. MML has been in the offshore business for over 38 years and Mermaid is today present in five geographical regions with a team of over 500 professional divers, technicians, surveyors, management and support staff.



MML's business activities are focused on diving and remote intervention by unmanned submersibles (ROV) with world first autonomous underwater vehicle (AUV) and subsea flowline control and repair (SFCR) units that are being developed. Its Subsea Division is represented by Mermaid Subsea Services (Thailand) 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 pipe laying projects.

### 3. Agrochemical Group

The main operating companies are PM Thoresen Asia Holdings Public Company Limited (PMTA), in which the Company holds 68.5 percent of shares. The income portion of the agrochemical group accounted for 22 percent and 18 percent of the total revenue of TTA in 2020 and 2021, respectively.

- **PM Thoresen Asia Holdings Public Company Limited (PMTA)**

PM Thoresen Asia Holdings Public Company Limited (PMTA) which owns Baconco Co., Ltd. (Baconco). Baconco is currently operating in the agrochemical industry, having its headquarter located at the Phu My I Industrial Park, Vung Tau Province, Ba Ria Vung Tau Area, in southern Vietnam about 70 kilometers from Ho Chi Minh City. Baconco develops, manufactures, markets and distributes mixed fertilizers, compound fertilizers and single fertilizers with a total production capacity of approximately 450,000 metric tons per year and had the packaging capacity of 550,000 metric tons per year. All Baconco's fertilizers distributed in Vietnam and Cambodia are under the "STORK" trademark registered by Baconco since 2005. The STORK brand has been highly-recognized and credited for quality and reliability, a result from Baconco's strategy to produce highquality fertilizers with major nutrients of nitrogen (N), phosphate (P2O5) and potash (K2O). In order to expand customer base and increase sales and distribution channels overseas, Baconco also manufactures and distributes fertilizers for external customers. At present, it exports fertilizers relation over 30 countries worldwide with main clusters of customers in Africa, Middle East and Southeast Asia. Apart from the fertilizers, Baconco also distributes pesticides in Vietnam and Foliar both in Vietnam and abroad where it outsources production process and packaging of pesticides based on formulas and criteria determined thereby to the third party. In addition, Baconco markets, sells and distributes fertilizers, pesticides and foliar under its trademarks registered in Vietnam and overseas.

### 4. Food and Beverage Group





The main operating companies are PH Capital Co., Ltd. (PHC), in which TTA holds 70.00 percent of shares, is a franchisee and operates Pizza Hut restaurants, and Siam Taco Company Limited (STC), in which TTA holds 70.00 percent of shares, is a franchisee and operates Taco Bell restaurants. The income portion of the food and beverage group accounted for 16 percent and 9 percent of the total revenue of TTA in 2020 and 2021, respectively.

- **PH Capital Co., Ltd. (PHC)**

The Company holds 70.00 shares in PH Capital Co., Ltd. (PHC). PH Capital Co., Ltd. (PHC), is a franchisee of Yum! Brands, Inc., the world's leading company, and operates a restaurant business under the trademark "Pizza Hut". PHC was registered on 9 February 2017 and has 92 Pizza Hut restaurants and has opened more branches each year. By the end of the year, 31 December of 2019, 2020, and 2021, there are a total of 148 branches, 167 branches, and 177 branches, respectively, covering the Bangkok metropolitan area and other provinces. The Pizza Hut restaurants are located in the community area, both in large department stores, local shopping malls, hypermarkets such as Lotus and Big C, gas stations, and standalone restaurants, all operated by PHC. Pizza Hut's restaurant-style includes a full-service restaurant with large spaces and tables, as well as table service and a restaurant focused on delivery or take-away.

Pizza Hut is a global pizza brand and number one in the creation of premium quality and great tasting menus in Thailand, with PHC being the sole franchisee of the "Pizza Hut" trademark. They offer dine in, home or office delivery, take away, and through food aggregators. The main dishes served are pizza, spaghetti, as well as appetizers such as chicken, fish donuts, cheesy balls, etc.



- **Siam Taco Company Limited (STC)**

The Company holds a 70.00 percent stake in Siam Taco Company Limited (STC), a franchisee of the world leading Yum! Brands, Inc., who operates a restaurant under the trademark "Taco Bell". STC was registered on 14 June 2018. There were a total of 8 branches in 2020, and as of 31 December 2021, there were a total of 11 branches. Taco Bell restaurants are located in urban areas as standalone shops, as well as in chain department stores, local department stores, and gas stations within communities. Every restaurant is operated by STC. Modes of Taco Bell restaurants include both full-service fast-food stores with large areas and dining tables and smaller stores that mainly support delivery or customer pick-up services. Most restaurants are full-service fast-food stores; however, there has recently been an increase in the proportion of smaller stores that mainly support delivery services, as they necessitate smaller investment and meet the growing consumer demand for delivery services.

Taco Bell is a global Mexican fast-food brand and a leader in the creation of premium quality tasting dishes. In Thailand, STC is the sole franchisee of the trademark "Taco Bell", offering dine in, take away, and delivery services as well as distributing through food aggregators. Food served includes tacos, nachos, quesadillas, and burritos.

## 5. Other Investment Group

Other Investment group comprises of other businesses besides the aforementioned businesses such as Unique Mining Services Public Company Limited (UMS), in which the Company holds 95.65 percent of shares and water resource management business by Asia Infrastructure Management (Thailand) Company Limited (AIM), in which the Company holds 83.75 percent of shares.

- **Unique Mining Services Public Company Limited**

Unique Mining Services Public Company Limited or (UMS) is an importation of high quality coals, bituminous and sub-bituminous, with medium moderate calorific value and less environmental impact. The coal is mainly imported from Indonesia or bought from other importers in Thailand to distribute to large, medium and small-sized industrial factories especially those located in Bangkok and other provinces surrounding it. The primary industrial targets of UMS were food and beverage sector, pulp and paper including cement industries. UMS has set its strategy to deliver coal to customers in a timely manner through complete supply chain management with efficient administration in coal stockpiles and warehouses to ensure coal adequacy for delivery to customers. This enables the customers never have to remain stress-free about stocking up coal and preparing stations or warehouse to store coal on their own.

- **Asia Infrastructure Management (Thailand) Company Limited (AIM)**

Asia Infrastructure Management (Thailand) Company Limited (AIM) is a design, construction, and integrated service provider for water resource management. AIM provides management



services for reducing non-revenue water and primarily provides services for piping, installation, and plumbing repair. In addition, AIM has also obtained a concession to distribute tap water in Luang Prabang, Laos through Asia Nampapa Luangprabang Company Limited (ALP), a subsidiary in which AIM holds 66.67 percent of the shares. The details are as follows:

1. Industrial wastewater treatment work in collaboration with Industrial Estate Authority of Thailand.
2. Water supply systems that use less space and energy, and non-revenue water reduction management work in collaboration with the Metropolitan Waterworks Authority and the Provincial Waterworks Authority, using high technology to optimize the production of tap water and mobile drinking water with an experienced team. The Company had the opportunity to bring a mobile drinking water production system with government agencies to help people affected by floods in many areas during the year 2011, such as Phetchaburi Province, Ayutthaya Province, Songkhla Province, etc.
3. Increase the potential to treat wastewater in the canals to become clean water and reduce the accumulation of germs.
4. Develop renewable energy business such as using solar energy for hospitals such as Samitivej Sukhumvit Hospital, Sri Rayong Hospital, Samitivej Chonburi Hospital, as well as a business expansion plan with high technology to turn waste into energy.
5. Operate electric boats in various canals in Bangkok. The operation started at Khlong Phadung Krung Kasem to help reduce pollution by using clean energy electric boats that are environmentally friendly.



#### 4.1.7 Revenue Structure of the Company

Revenue Structure	2018		2019		2020		2021		2022	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Dividend income	455.19	74.07	388.62	30.22	379.78	69.39	1,632.31	77.95	5,999.97	95.26
Profit from exchange rate	-	-	-	-	21.60	3.95	126.14	6.02	26.12	0.41
Interest income	74.69	12.15	114.18	8.88	119.87	21.90	129.60	6.19	241.10	3.83
Other income	84.65	13.77	783.09	60.90	26.05	4.76	205.89	9.83	31.37	0.50
<b>Total revenue</b>	<b>614.53</b>	<b>100.00</b>	<b>1,285.89</b>	<b>100.00</b>	<b>547.30</b>	<b>100.00</b>	<b>2,093.94</b>	<b>100.00</b>	<b>6,298.55</b>	<b>100.00</b>



#### 4.1.8 Management Discussion and Analysis

As per the Company's audited separate financial statements which audited by a certified public accountant of KPMG Phoomchai Audit Ltd. For the year ended 31 December 2018 to 31 December 2022, the Company's financial performance can be summarized as follows;

➤ separate financial statements

Statement of income (Unit: THB million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
Total revenues	614.53	1,285.89	547.30	2,093.94	6,298.55
<b>Profit before expenses</b>	<b>614.53</b>	<b>1,285.89</b>	<b>547.30</b>	<b>2,093.94</b>	<b>6,298.55</b>
Selling and administrative expenses	308.31	(625.29)	(372.98)	(663.47)	(846.03)
<b>Profit from operating activities</b>	<b>306.22</b>	<b>660.60</b>	<b>174.32</b>	<b>1,430.47</b>	<b>5,452.53</b>
Finance costs	138.25	(169.36)	(170.73)	(217.96)	(234.07)
<b>Profit (Loss) before income tax expenses</b>	<b>167.97</b>	<b>491.25</b>	<b>3.59</b>	<b>1,212.51</b>	<b>5,218.45</b>
Tax expense (income)	58.81	(90.69)	67.39	(53.86)	60.26
<b>Profit (loss) for the year</b>	<b>109.16</b>	<b>400.56</b>	<b>70.98</b>	<b>1,158.65</b>	<b>5,278.71</b>

Source: separate financial statements for the year 2018-2022

➤ Statement of financial position

Statement of financial position (Unit: THB million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
<b>Assets</b>					
Cash and cash equivalents	470.89	874.56	568.98	2,999.04	3,263.17
Other current financial assets	1,087.52	1,812.76	2,205.27	2,630.32	1,213.69
Trade receivables	1.38	4.88	2.27	2.60	2.31
Receivables from related parties	128.77	122.33	182.41	235.77	453.65
Short-term loans to related parties	4,543.61	2,943.27	3,342.92	3,338.10	7,323.86
Current portion of long-term loans to related parties	90.00	127.50	165.00	150.00	124.00
Prepayments	4.32	4.66	5.49	6.88	7.86
Other current assets	14.97	26.67	14.10	16.84	14.54
<b>Total current assets</b>	<b>6,341.47</b>	<b>5,916.61</b>	<b>6,486.44</b>	<b>9,379.54</b>	<b>12,403.07</b>
Investment in associates	79.07	79.07	79.07	61.20	61.20
Investment in subsidiaries	23,565.78	23,501.18	23,541.90	23,276.40	23,520.01
Investment in joint ventures	21.00	438.92	467.30	467.30	467.30
Long-term loans to related parties	75.00	37.50	-	-	-
Property, plants, and equipment	129.81	141.47	136.38	127.23	124.94
Right-of-use assets	-	-	9.36	7.67	9.66
Intangible assets other than goodwill	0.39	0.46	0.56	0.34	43.71
Deferred tax assets	85.47	-	55.59	1.57	64.63
Other non-current assets	13.11	1.37	2.75	2.99	3.69



Statement of financial position (Unit: THB million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
<b>Total non-current assets</b>	<b>23,969.63</b>	<b>24,199.96</b>	<b>24,292.91</b>	<b>23,944.69</b>	<b>24,295.13</b>
<b>Total assets</b>	<b>30,311.10</b>	<b>30,116.57</b>	<b>30,779.35</b>	<b>33,324.24</b>	<b>36,698.20</b>
<b>Liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	300.00	-	-	-	-
Trade payables	-	-	-	1.74	-
Other current payables	5.95	4.53	6.94	5.21	5.85
Payables to related parties	6.91	6.62	0.28	2.57	2.57
Advanced from customers	-	-	0.46	0.42	0.53
Short-term borrowings from related parties	796.96	740.86	707.40	366.54	378.73
Current portion of debentures	-	-	1,804.28	1,499.82	2,209.30
Current portion of lease liabilities	-	-	1.55	0.30	1.53
Accrued expenses	35.50	35.58	37.39	131.03	101.36
Other current liabilities	6.06	6.41	6.32	5.40	4.29
<b>Total current liabilities</b>	<b>1,151.37</b>	<b>793.99</b>	<b>2,564.62</b>	<b>2,013.02</b>	<b>2,704.16</b>
Debenture	3,280.05	3,289.88	2,201.19	4,172.38	1,982.50
Lease liabilities	-	-	8.03	7.73	8.69
Deferred tax liabilities	-	7.69	-	-	-
Non-current provision for employee benefits	13.78	21.34	23.78	26.52	31.68
<b>Other non-current liabilities</b>	<b>3,293.83</b>	<b>3,318.91</b>	<b>2,233.00</b>	<b>4,206.63</b>	<b>2,022.87</b>
<b>Total liabilities</b>	<b>4,445.20</b>	<b>4,112.90</b>	<b>4,797.62</b>	<b>6,219.65</b>	<b>4,727.04</b>
<b>Equity</b>					
Authorized share capital	1,998.45	1,998.45	1,998.45	1,998.45	1,998.45
Issued and paid-up share capital	1,822.46	1,822.47	1,822.47	1,822.47	1,822.47
Share premium on ordinary shares	16,060.01	16,060.02	16,060.02	16,060.02	16,060.02
Appropriated retained earnings-Legal reserve	122.22	142.25	145.80	199.85	199.85
Unappropriated	7,853.14	7,967.72	7,925.80	8,989.97	13,867.75
Other components of equity	8.07	11.23	27.65	32.29	21.08
<b>Total equity</b>	<b>25,865.90</b>	<b>26,003.67</b>	<b>25,981.73</b>	<b>27,104.59</b>	<b>31,971.16</b>
<b>Total liabilities and equity</b>	<b>30,311.10</b>	<b>30,116.57</b>	<b>30,779.35</b>	<b>33,324.24</b>	<b>36,698.20</b>

Source: separate financial statements for the year 2018-2022



➤ Statement of cash flows

Statement of cash flows (Unit: THB million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
Cash flows from (used in) operating activities	(192.75)	(85.12)	(137.52)	(117.83)	(62.01)
Cash flows from (used in) investing activities	(856.08)	1,057.72	(613.74)	1,093.33	2,522.42
Cash flows from (used in) financing activities	1,296.50	(553.61)	436.66	1,423.70	(2,131.56)
Effect of exchange rate changes on balances held in foreign currencies	0.52	(15.31)	9.03	30.85	(64.71)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>248.19</b>	<b>403.67</b>	<b>(305.58)</b>	<b>2,430.05</b>	<b>264.14</b>
Cash and cash equivalents at 1 January	222.70	470.89	874.56	568.98	2,999.04
<b>Cash and cash equivalents at 31 December</b>	<b>470.89</b>	<b>874.56</b>	<b>568.98</b>	<b>2,999.04</b>	<b>3,263.17</b>

Source: separate financial statements for the year 2018-2022

➤ Key Financial Ratios

Table of Key financial ratios for the year 2018-2022

Details	Unit	2018	2019	2020	2021	2022
<b>Liquidity Ratio</b>						
Current Ratio	Times	5.51	7.45	2.53	4.66	4.59
<b>Profitability Ratio</b>						
Gross profit margin	percentage	49.83	51.37	31.85	68.31	86.57
Net profit margin	percentage	17.76	31.15	12.97	55.33	83.81
<b>Operating Efficiency Ratio</b>						
Return on assets	percentage	0.36	1.33	0.23	3.61	15.08
Return on equity	percentage	0.42	1.54	0.27	4.37	17.87
<b>FINANCIAL POLICY RATIO</b>						
Debt to Equity Ratio	Times	0.17	0.16	0.18	0.23	0.15
Interest Bearing Debt to Equity Ratio	Times	0.17	0.16	0.18	0.22	0.14
Debt service coverage ratio (DSCR)	Times	0.15	1.45	1.17	0.72	3.16

Source: separate financial statements for the year 2018-2022



## Management Discussion and Analysis

### Performance

#### Total revenue

Total revenues for the year 2018 - 2022 were THB 614.53 million, THB 1,285.89 million, THB 547.30 million, THB 2,093.94 million, and THB 6,298.55 million, respectively, representing a compound annual growth rate (CAGR) between 2018 - 2022 equal to 78.93%.

In 2019, the Company's total revenue is equal to THB 1,285.89 million which increase in the amount of THB 671.35 million or equal to 109.25% from the year 2018, which income is equal to THB 614.53 million. The increasing in 2019 arising from that the Company has other revenues of 40.00% from disposition of PMTP shares, or equal to THB 283.70 million to one of the largest energy company's real estate agencies in Japan. In July and gain from the higher value than the fair value from PMTP which was changed from a subsidiary to a joint venture in the amount of THB 417.00 million and dividend income from the shipping business sector.

In 2020, the Company's total revenue is equal to THB 547.30 million which decrease in the amount of THB 738.59 million or equal to 57.44% compared to the year 2019 which is equal to THB 1,285.89 million, mainly due to 1) isolation measures to prevent COVID-19 virus transmission which affects the entry and exit of submarine engineering ships into dry docks; 2) imports ships into dry docks in accordance with the regulations and 3) the decreasing of the freight rate of bulk carriers arise from the effect of the COVID-19 situation in the first half of 2020. Since the third quarter of 2020, the overall operating performance has begun to recover in the last 6 months of 2020, gross profit has almost doubled, compared to the first half of 2019.

In 2021, the Company's total revenue is equal to THB 2,093.94 million, increase in the amount of THB 1,546.64 million or equal to 282.59% compared to the year 2020 which is equal to THB 547.30 million due to the significantly increase of performance of most of the Company's business sectors, especially shipping as freight rate rising from the supportive factors of growing shipping which limit the demand for coal and minor bulk which increase as an effect of the global economic recovery. In addition, from the expansion of service to submarine cable laying of offshore service.

In 2022, the Company's total revenue is equal to THB 6,298.55 million, increase in the amount of THB 4,202.61 million or equal to 200.80% compared to the year 2021 which is equal to THB 2,093.94 million due to the dividend received from the shipping as the freight rate increase, the number of working days of owed by shipping sector increase and the Thai baht depreciated against the US dollar, including offshore services Group successfully restored to net profit, mainly from the significant increase in profits from submarine cable laying, dismantling, and transportation and installation.





### Profit margin ratio from operation

From 2018 – 2022, the Company's profit is equal to THB 306.22 million, THB 660.60 million, THB 174.32 million, THB 1,430.47 million and THB 5,452.53 million, respectively or profit margin ratio of 49.83%, 51.37%, 31.85% and 68.31%, respectively.

In 2019, the Company's gross profit from operation is equal to THB 660.60 million which increase in the amount of THB 354.38 million or gross profit margin of 51.37% from the year 2018 arising from that the Company has other revenues from disposition of PMTP shares, or equal to THB 283.70 million or equal to 40.00% gain.

In 2020, the Company's gross profit from operation is equal to THB 174.32 million which decrease in the amount of THB 486.28 million or gross profit margin of 31.85% compared to the year 2019 which is equal to THB 660.60 million or gross profit margin of 51.37%, mainly due to the isolation measures to prevent COVID-19 virus transmission which affects the dividend from associates and joint venture.

In 2021, the Company's gross profit from operation is equal to THB 1,430.47 million or gross profit margin of 68.31%, increase in the amount of THB 1,256.15 million compared to the year 2020 which is equal to THB 174.32 million or gross profit margin of 31.85 due to the significantly increase of performance of most of the Company's business sectors, especially shipping as freight rate rising.

In 2022, the Company's gross profit from operation is equal to THB 5,452.53 million or gross profit margin of 86.57%, increase in the amount of THB 4,022.05 million, compared to the year 2021 which is equal to THB 1,430.47 or gross profit margin of 68.31% due to the dividend received from the shipping as the freight rate increase, the number of working days of owed by shipping sector increase and the Thai baht depreciated against the US dollar, including offshore services Group successfully restored to net profit.

### Net profit margin

In 2018-2022, the company's net profit is equal to THB 109.16 million, THB 400.56 million, THB 70.98 million, THB 1,158.65 million, and THB 5,278.71 million. The net profit margin was 17.76%, 31.15%, 12.97%, 55.33%, and 83.81%, respectively.

In 2019, the company's net profit is equal to THB 400.56 million, or 31.15%, with a profit increase of THB 291.4 million. Compared to 2018, due to the company's reasons, the net profit was 109.16 million Baht or 17.76%. The sale of PMTP shares generated other income. However, the company's financial costs increased by THB 31.11. million from the issuance of TTA233A bonds of THB 716.2 million.



In 2020, the company's net profit was THB 70.98 million, accounting for 12.97% of the net profit, with a decrease of THB 329.58 million, compared to 2019, the net profit was THB 400.56 million or 31.15% due to the impact of isolation measures to prevent COVID-19 virus transmission.

In 2021, the company's net profit was THB 1,158.65 million, or 55.33% net profit margin, with a profit increase of THB 1,087.67million, compared to 2020, the net profit was THB 70.98 million, or 12.97% net profit margin due to the significant growth of shipping business and the increase in the Company's net profit margin. However, due to the issuance of THB 1.5 billion of TTA 239A bonds, the Company's financial costs increased by THB 47.23 million.

In 2022, the company's net profit was THB 5,278.71 million, or 83.81% net profit margin, an increase of THB 4,12.06 million , compared to 2021, the net profit was THB 1,158.65 million, or 55.33% net profit margin due to the improved performance of most of the business sectors.

#### Financial position

##### Assets

As of 31 December 2019, the Company's total assets is equal to THB 30,116.57 million, which decrease by THB 194.53 million, compared to the previous year as of 31 December 2018, the total assets were THB 30,311.10 million. The main reason is the decline in the value of fixed assets due to the conversion of financial statements for overseas operations and the decline in the fair value of financial assets caused by the first implementation of new financial reporting standards, including: The amount of short-term loans provided to related companies decreased to THB 1,329.56 million. However, due to the investment in PMT Property, the investment in the joint venture increased by THB 417.92 million as the Company holds 60.00% of ordinary shares.

As of 31 December 2020, the Company's total assets is equal to THB 30,779.35 million, which increase by THB 662.78 million, compared to the previous year As of 31 December 2019, the total assets is THB 30,116.57 million. The main reason is the increase in short-term loans to related enterprises for investment in subsidiaries and related companies and reserves for subsidiaries and related companies, equal to THB 375.98 million.

As of December 31, 2021, the company's total assets were THB 33,324.24 million, an increase of THB 2,544.89 million over the total assets. As of 31 December 2020, the total assets were THB 30,779.35 million, mainly due to the cash under management comes from dividends from the shipping business unit, as well as significant improvements in most of all business sectors that cause the net profit to increase by THB 1,087.67 million.

As of 31 December 2022, the Company's total assets is THB 36,698.20 million, an increase of THB 3,373.96 million over the total assets. As of 31 December 2021, the total assets were THB 33,324.24 million, due to the increase in short-term loans to related companies for investment



in subsidiaries and related companies and the reserve for subsidiaries and related companies of THB 4,158.31 million, as well as the increase in cash under dividend management in the shipping, including the performance of most of all business sectors improved significantly, with cause the net profit to increase by THB 41.206 million.

### Liabilities

As of 31 December 2019, the Company's total liabilities is equal to THB 4112.9 million, a decrease of THB 332.30 million, compared to the total liabilities as of 31 December 2018 which the total liability is THB 4,445.20 million, mainly due to the Company's repayment of overdrafts and short-term loans from financial institutions of THB 300 million.

As of 31 December 2020, the Company's total liabilities is THB 4,797.62 million, an increase of THB 684.72 million from total liabilities as of 31 December 2019, which is THB 4,112.90 million, mainly due to the issuance of TTA233A bonds of THB 716.20 million and the TTA213A bond of THB 1,805.20 million issued in 2018 with the maturity in March 2021, which is a portion due within one year.

As of 31 December 2021, the Company's total liabilities is equal to THB 6,219.65 million, an increase of THB 1,422.03 million from total liabilities as of 31 December 2020, which is THB 4,797.62 million, mainly due to the issuance of TTA239A bonds of THB 1,500.00 million and the TTA221A bonds of THB 1,500.00 million issued in 2018 and matured in January 2022, which is a portion due within one year.

As of 31 December 2022, the Company's total liabilities is equal to THB 4,727.04 million, an decrease of THB 1,492.61 million from total liabilities as of 31 December 2021, which is THB 6,219.65 million, mainly due to the issuance of TTA233A bonds of THB 716.20 million issued in 2021 with the maturity in March 2023 and the TTA239A bonds of THB 1,500.00 million issued in 2021 with the maturity in September 2023, which is a portion due within one year.

### Equity

As of 31 December 2019, the Company's shareholders' equity is equal to THB 26,003.67 million, an increase of THB 137.78 million from as of 31 December 2018, which is THB 25,865.90 million, due to that the company's net profit increasing in the amount of THB 291.40 million and dividends paid to the shareholders of the Company in the amount of THB 91.12 million.

As of 31 December 2020, the Company's shareholders' equity is equal to THB 25,981.73 million, a decrease of THB 21.94 million from as of 31 December 2019, which is THB 26,003.67 million, due to that the company's net profit decreasing in the amount of THB 329.58 million and dividends paid to the shareholders of the Company in the amount of THB 109.35 million.



As of 31 December 2021, the Company's shareholders' equity is equal to THB 27,104.59 million, an increase of THB 1,122.86 million from as of 31 December 2020, which is THB 25,981.73 million, due to that the company's net profit increasing in the amount of THB 1,087.67 million and dividends paid to the shareholders of the Company in the amount of THB 36.45 million.

As of 31 December 2022, the Company's shareholders' equity is equal to THB 31,971.16 million, an increase of THB 4,866.58 million from as of 31 December 2021, which is THB 27,104.59 million, due to that the company's net profit increasing in the amount of THB 4,120.06 million and dividends paid to the shareholders of the Company in the amount of THB 400.93 million.



#### 4.1.9 Industry and overview and outlook

##### 1. Shipping Group

In 2021, dry bulk market conditions have improved significantly from 2020, with freight rates showing their highest increase in 11 years due to the strong demand for cargo and disruption of services, such as port congestion. In addition, the demand for iron ore, grains, and coal in 2021 has improved from last year. In terms of supply, however, the fleet increased at a slower rate than the demand did. These key factors ensured the stability and strength of the dry bulk shipping business fundamentals in 2021. On the other hand, economic volatility, the impacts of COVID-19, and environmental policies were important factors that the company needed to consider, as they could affect our operation.

##### 2. Offshore Services Group

The 2020-2022 Period is expected to rebound quickly from Pandemic with OPEC Support. Current subsea demand outlook for 2022 is forecast to total up to 354 units, the highest since 2013 based on \$65/bbl Brent. Of these, 173 units (49 percent) are classified as "Firm", 125 units (35 percent) as "Probable", and 56 units (16 percent) classified as "Possible" based on our assessment of subsurface, commercial & geopolitical factors. Included in the tree awards anticipated in 2022 are 53 units (15 percent) that have already been awarded but are subject to governmental approvals and a final investment decision on the respective fields.

Major projects to watch in 1Q 2022 include CNOOC's Lingshui 25-1 (China), Total Energies' North Platte development (USA) and its Lapa South West project (Brazil). For full-year, 2022-2026 subsea tree demand outlook is currently at 1,380 units, a 25 percent increase compared to the 2017-2021 period. Latin America is forecast to account for approximately 36 percent, driven by Petrobras' continued investment in its pre-salt basin and ExxonMobil's Stabroek developments. According to the Oil & Gas Global Capex Outlook, global investment rose 12.80 percent to US\$ 447 billion in 2021. As oil and gas prices continue to rise and the global situation of the COVID-19 improves, spending becomes more flexible, but the rate of growth will vary by country. Worldwide capital expenditures spending is predicted to climb gradually each year through 2025, but not to pre-epidemic levels. Despite an average annual growth rate of 6.5 percent between 2021 and 2025, total expenditures will reach US\$ 579 billion by 2025, a far cry from the 2015 oil and gas investment peak. In general, the outlook for oil and gas investment continues to diverge between regions where the statebacked National Oil Company (NOC) ramps up spending aggressively to focus on domestic production and

infrastructure, and regions where the International Oil Company (IOC) continues to prioritize short-term projects with high margins and shorter payback periods. NOC investment is expected to boost output in the medium term. IOC investment, on the other hand, is projected to maintain market share. This is because of the NOC's low-cost advantages and local assistance.



### 3. Agrochemical Group

The fertilizer industry has been significantly affected in many parts of the world by the outset of the COVID-19 pandemic. As it caused the labor shortage, and some of the fertilizer plants were shut down, shipments were affected in the initial lockdown process. China, being the epicenter of the pandemic, was greatly impacted in the beginning. However, the conditions in the country have stabilized, and production rates have increased for all fertilizers. The overall effect of COVID-19 on the fertilizer industry is observed to be moderate. In the long-term, the key factors that will drive the fertilizer industry are the technological innovations, the growing world population is expected to drive fertilizer industry expansion. However, regulatory and environmental constraints and high production costs are likely to be the drawbacks of the industry.

Vietnam's fertilizer industry still has high potential. The growth of the fertilizer industry growth depends on the level of agricultural price recovery and the production of key crops. Moreover, the adequacy of rainfalls and water supplies are significant issue as some agricultural areas are potentially encountering drought. In addition, the fluctuation of raw material prices could also impact the demand and the trend fertilizer industry.

### 4. Food and Beverage Group

PHC has assessed that the food and beverage industry has continued to grow and because there are still potential areas that Pizza Hut has not yet opened a restaurant in that area, including more opportunities to reach new consumer groups. PHC forecasts that the pizza market in 2022 still has an opportunity to grow by 15-20 percent compared to this year. Since the epidemic situation should be resolved and businesses can resume normal operations around the middle of next year. However, the competition in the market will be more intense as more non-large pizza restaurants will enter the market including having more market activities and offering alternatives non-Quick Service Restaurant (QSR) Pizza to consumers.



## 5. Other Investment Group

### Coal Business

The business of coal sales for industrial factories in Thailand is operated by approximately 30 vendors consisting of large, medium and small vendors. The price competition has become more fiercely for years because of a growing number of new small vendors. For the year 2021, the coal price was very fluctuating and higher more than 10 years ago. Due to the increase demand from China together with the COVID-19 epidemic that is the obstacle for coal mining in Indonesia. Although a decline in coal price at the end of the year but it is higher than the last year.

For the overview of coal market for the year 2022, China has a tendency to increase in coal importing although China government measures to control coal import. Indonesian government is pending the export coal insufficient for using for domestic consumption. Also, other Asian countries such as India and Vietnam which need coal to generate more electricity resulting increase the coal demand. In the year 2022, coal price will continuously fluctuate and COVID-19 mutation affect to the economic volatility. However, the 26th UN Climate Change Conference of the Parties (COP26) attempts to reduce global warming so that the coal demand will decline in the long term.

### Water Resource Management

Overview of 2020-2021, including the future trend, the competition in the water supply business in terms of nonrevenue water reduction management, pipe installation, production and distribution of tap water will be more competitive. The duration of the work starts from not exceeding 1 year to 3 years, making it more competitive in bidding to support the contract work that is about to expire. This can be seen from the increasing number of private companies and local administrative organizations to take part in the bidding process in order to gain market share. Currently, the Provincial Waterworks Authority and the Metropolitan Waterworks Authority have changed their bidding methods to use the E-Bidding system (electronic bidding envelope submission) to make bidding easier and open to new investors. Competitors are improving internal processes which create more competition in the industry, and there is a possibility that a general agency wishing to submit bid envelopes to win the tender will set a ceiling price as low as possible in order to win the competition. Therefore, in order for the AIM to compete in this business, it has to be managed to optimize its performance with a management strategy under more efficient and tighter cost control in order to achieve the target gross profit and expanding its service coverage to make AIM a true and sustainable energy leader in this increasingly competitive trend.



## 4.2 Business overview of Mermaid Maritime Public Company Limited (“MML”)

### 4.2.1 General information of MML

<b>Company Name</b>	Mermaid Maritime Public Company Limited		
<b>Address</b>	26/28 -29 Orakarn Building, 9 <sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330		
<b>Business Type</b>	Subsea Engineering Services		
<b>Registration No.</b>	010755000017		
<b>Website</b>	<a href="http://www.mermaid-group.com">http://www.mermaid-group.com</a>		
<b>Issued Capital</b>	1,416,700,697.00 THB		
<b>Paid-up Capital</b>	1,413,328,857.00 THB		
<b>Directors</b>	<b>Rank</b>	<b>Name</b>	<b>Position</b>
	1	Mr. Prasert Bunsumpun	Chairman
	2	Mr. Chalermchai Mahagitsiri	Executive Vice Chairman
	3	Dr. Jean Paul Thevenin	Non-Executive Director
	4	Mr. Tang Kee Fei	Independent Director
	5	Mr. Tay Yu-Jin	Independent Director
	6	Dr. Jan Jozef Skorupa	Independent Director
	7	Mr. Paul Whiley	Executive Director

Source: MML's Annual Report 2021

### 4.2.2 Background of MML

MML is a leading international provider of the subsea services to the major oil and gas producers or their contractors. It was established in Thailand and is headquartered in Asia (Thailand) as well as operating bases in the Southeast Asia, the West Africa, the Middle East and the North Sea area. MML provides subsea services, including engineering and underwater exploration with divers and unmanned aerial vehicles (ROV). MML also owns and operates a fleet of vessels that provide offshore services. Installation (T&I) and demolition services MML's major shareholder is the Company, holding 58.22 percent of shares as of 31 December 2021. MML started its business in 1983. Later, the Company acquired some businesses. In 1995, it was listed on the Singapore Stock Exchange (SGX) on 16 October 2007.





### 4.2.3 Shareholder of MML

Table of major shareholder of MML

Rank	Shareholder	Shares	Percent
1	The Company <sup>1/</sup>	700,000,000	49.53
2	Raffles Nominees (Pte.) Ltd.	139,587,914	9.88
3	Soleado Holding PTE. LTD. <sup>2/</sup>	86,747,393	6.14
4	Citibank Noms Spore Pte. Ltd.	81,330,861	5.75
5	DBS Nominees Pte. Ltd.	65,580,636	4.64
6	Athene Holding LTD. <sup>3/</sup>	20,398,420	1.44
7	DBS Vickers Securities (s) Pte. Ltd.	16,804,346	1.19
8	OCBC Securities Private Ltd.	12,497,758	0.88
9	UOB Kay Hian Pte. Ltd.	12,056,200	0.85
10	LIM AND TAN SECURITIES PTE LTD	9,566,200	0.68
11	BNP Paribas Noms Spore Pte. Ltd.	9,566,200	0.68
12	Others	259,192,929	18.34
<b>Total</b>		<b>1,413,328,857</b>	<b>100.00</b>

Source: MML on 30 December 2022

Remark: 1/ The Company holds 58.22 percent of paid-up capital directly and indirectly in MML. [directly holds 49.53 percent and indirectly holds 99.99 percent and 100 percent through Athene Holding LTD. ("ATH") 1.44 percent and Soleado Holding PTE. LTD. ("SOH") 7.25 percent respectively.]



List of major shareholders and distributions of direct and indirect related parties of MML as of 30 December 2022.

Name	Direct related	Deemed	Total
TTA <sup>/1</sup>	700,000,000 (49.53 percent)	122,908,013 (8.69 percent)	822,908,013 (58.22 percent)
SOH <sup>/2</sup>	86,747,393 (6.15 percent)	15,762,200 (1.1 percent)	102,509,593 (7.25 percent)
Mr. Chalermchai Mahagitsiri <sup>/3</sup>	150,461,660 (10.65 percent)	822,908,013 (58.22 percent)	973,369,673 (68.87 percent)
Mr. Prayudh Mahagitsiri <sup>/4</sup>	55,081,582 (3.90 percent)	63,588,647 (4.50 percent)	118,670,229 (8.40 percent)

<sup>/1</sup> TTA's deemed interest arises from the shares in MML 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.

<sup>/2</sup> SOH's deem interest arises from the 15,762,200 shares through custodian bank.

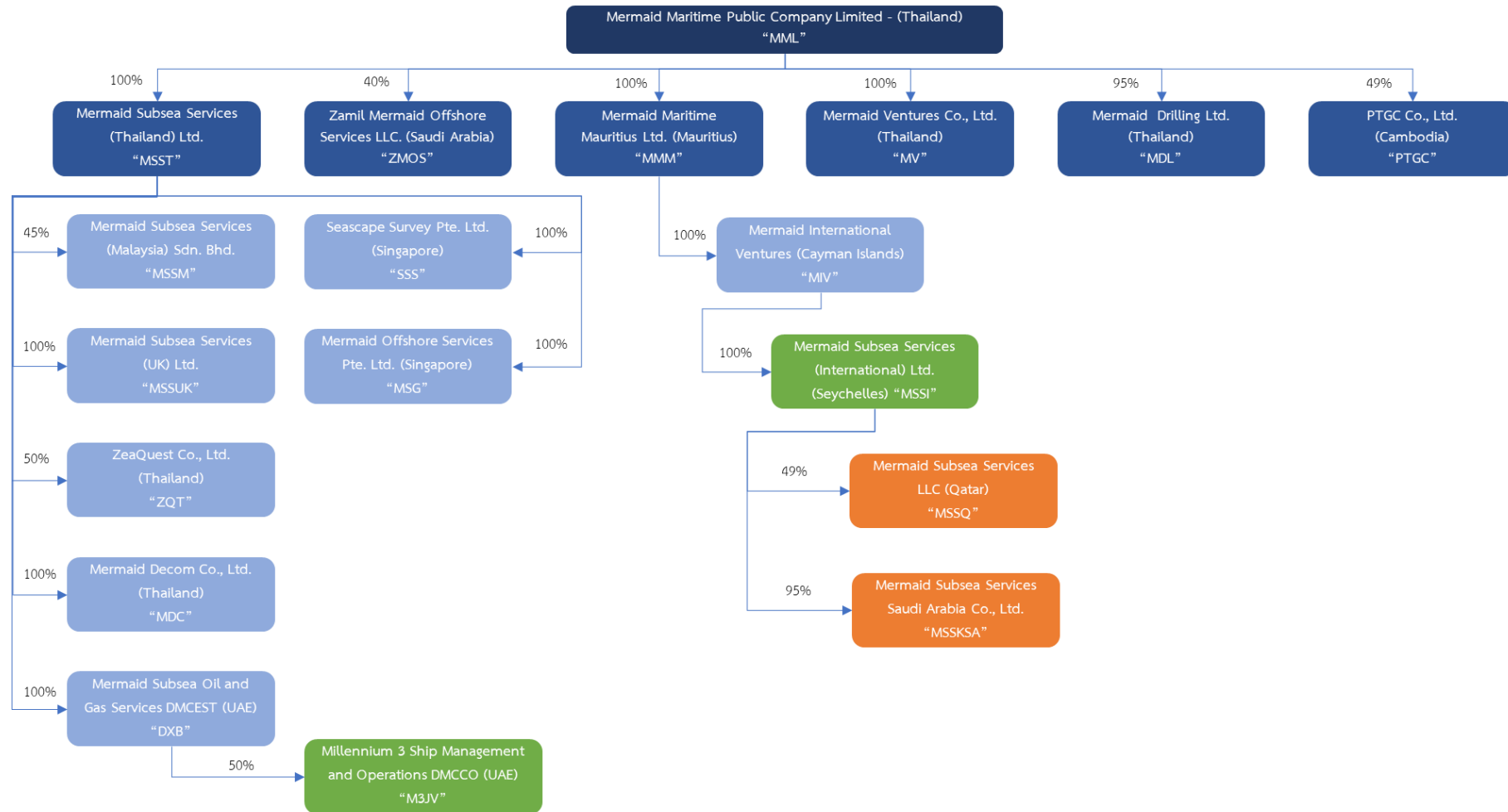
<sup>/3</sup> Mr. Chalermchai Mahagitsiri was the registered holder of 277,679,159 ordinary shares (15.24%) in TTA and 150,000,000 ordinary shares (8.23%) were also registered under his custodian account in TTA. His associates are Ms. Ausana Mahagitsiri who is a registered holder of 99,866,937 ordinary shares (5.48%) in TTA, Ms. Suvimol Mahagitsiri who is the registered holder of 10,848,823 ordinary shares (0.60%) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder of 35,253,358 ordinary shares (1.93%) 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 596,268,977 ordinary shares (32.72%).

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.

<sup>/4</sup> Pursuant to section 4 (10) of the Securities and Futures Act 2001 (Singapore) If a direct or deem interest holding a security is considered a trustee, this amount is not considered. Therefore, the aforementioned shareholders are not direct or deem interest. Related companies or financial institutions are responsible for disclosing their shareholding ratio when such entity holds more than 5 percent of voting shares of MML.



#### 4.2.4 Company structure of MML



Source: MML



#### 4.2.5 Business overview of MML

MML provides offshore services focusing on engineering works that requires specially designed ships and equipment such as underwater diving equipment, remote control underwater vehicle and expertise which can be divided into the following:

1. **Inspection, Repair and Maintenance or IRM** consist of underwater exploration, repair, and installation using specially designed ship, remote control underwater vehicle, and highly skilled divers. MML has been working in the business for a long time especially with large customers in the Middle East and expanding to the Asia, the North Sea and the African region.
2. **Cable Lay** which the nature of work will be a complete service, whether it is engineering, cable transport installation from onshore to offshore Including repair work on cables that have already been installed. The type of cable installed is mostly cable in electronic system such as cable to transmit information through computer network, etc. In the past 2-3 years, the company has returned to the business. This is taken very seriously and has been working mainly for Middle Eastern customers.
3. **Transportation & Installation and Decommissioning or T&I and Decommissioning** which is a complete service for installation and dismantling of petroleum production platforms and pipelines in offshore areas. It's a business that the company is beginning to focus on expanding more in recent years. By focusing mainly on the domestic market to support the needs of large customer groups in the Gulf of Thailand meanwhile It also does international markets in the North Sea and Africa region.

In addition, MML vessels are classified by DNV, the American Classification Society (ABS), which is the leading classification society of them where all ships are subject to regular inspections by a class inspector in addition to regular docking and other scheduled maintenance, scuba diving meets global standards, especially those set by the International Association of Oil and Gas Producers (OGP).



#### 4.2.6 Revenue structure of MML

Revenue Structure	2018		2019		2020		2021		2022	
	USD Million	Percent	USD Million	Percent	USD Million	Percent	USD Million	Percent	USD Million	Percent
IRM	94.76	100.00	105.93	100.00	83.78	100.00	82.27	73.73	113.68	50.76
Cable Lay	-	-	-	-	-	-	22.07	19.77	53.07	23.70
T&I	-	-	-	-	-	-	7.25	6.50	57.19	25.54
<b>Total Revenue</b>	<b>94.76</b>	<b>100.00</b>	<b>105.93</b>	<b>100.00</b>	<b>83.78</b>	<b>100.00</b>	<b>111.59</b>	<b>100.00</b>	<b>223.94</b>	<b>100.00</b>

Source: MML



#### 4.2.7 Management Discussion and Analysis of MML

As per MML's audited consolidated financial statements which audited by a certified public accountant of KPMG Phoomchai Audit Ltd. For the year ended 31 December 2018 to 31 December 2022, MML's financial performance can be summarized as follows:

➤ Statement of income

Statement of income (Unit: USD million)	31 Decem ber 2018	31 Decem ber 2019	31 Decem ber 2020	31 Decem ber 2021	31 Decem ber 2022
Revenues from rendering of services	94.76	105.93	83.78	111.59	223.94
Cost of rendering of services	(103.77)	(109.05)	(95.35)	(113.23)	(206.48)
<b>Gross profit</b>	<b>(9.01)</b>	<b>(3.12)</b>	<b>(11.57)</b>	<b>(1.63)</b>	<b>17.46</b>
Administrative expenses	(24.98)	(23.66)	(24.66)	(14.40)	(15.45)
Interest income	0.70	0.66	0.08	0.01	0.13
Profit on foreign exchange	0.08	0.23	-	-	-
Other income	2.62	0.90	0.29	2.63	1.25
Loss from disposal of investment in joint venture	-	-	(68.09)	-	-
Net loss on foreign exchange	-	-	(0.02)	(0.44)	(1.03)
Share of profit of joint venture and associate accounted for using equity method, net of tax	8.06	4.76	(0.91)	0.53	2.90
<b>Earnings before interest and tax</b>	<b>(22.53)</b>	<b>(20.24)</b>	<b>(104.88)</b>	<b>(13.29)</b>	<b>5.24</b>
Finance cost	(3.90)	(3.40)	(2.23)	(1.63)	(3.32)
<b>Earnings before tax</b>	<b>(26.42)</b>	<b>(23.64)</b>	<b>(107.11)</b>	<b>(14.92)</b>	<b>1.92</b>
Tax expenses	(0.87)	(0.58)	(2.49)	(0.75)	(1.59)
<b>Net profit (loss)</b>	<b>(27.30)</b>	<b>(24.22)</b>	<b>(109.59)</b>	<b>(15.67)</b>	<b>0.34</b>

Source: Financial statement for the year 2018-2022

➤ Statement of financial position

Statement of financial position (Unit: USD million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
<b>Assets</b>					
Cash and cash equivalent	36.48	22.50	37.76	7.98	7.80
Current investment	18.04	12.21	9.71	2.87	-
Trade and other accounts receivable	42.99	48.04	35.30	75.70	63.93
Short-term loan to related party	-	5.37	-	-	1.25
Supplies and spare parts	1.38	0.62	0.35	0.35	0.95
<b>Total current assets</b>	<b>98.90</b>	<b>88.73</b>	<b>83.12</b>	<b>86.90</b>	<b>73.93</b>
Restricted deposit at financial institution	14.55	11.27	9.19	8.19	8.41
Investments in associate	119.42	122.36	22.41	22.40	22.38



Statement of financial position (Unit: USD million)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
Investments in joint venture	2.12	1.58	1.57	4.52	6.12
Long-term loan to related party	-	-	-	1.08	-
Other non-current receivable to related parties	-	-	-	-	16.00
Investment properties	0.59	0.54	0.49	0.45	0.41
Property, plant and equipment	169.43	145.21	143.19	132.76	134.20
Right-of use assets	-	-	0.38	0.20	29.36
Goodwill	2.07	2.07	-	-	-
Intangible assets	0.11	0.06	0.01	2.00	-
Deferred tax assets	2.28	2.14	0.05	0.06	0.62
Other non-current assets	0.13	0.11	0.08	0.08	0.08
<b>Total non-current assets</b>	<b>310.70</b>	<b>285.32</b>	<b>177.39</b>	<b>171.73</b>	<b>217.56</b>
<b>Total assets</b>	<b>409.59</b>	<b>374.05</b>	<b>260.51</b>	<b>258.63</b>	<b>291.49</b>
<b>Liabilities</b>					
Short-term borrowing from financial institution	-	0.24	-	-	-
Trade and other account payable	24.19	28.27	22.44	42.76	54.18
Short-term borrowing from parent company	-	-	-	-	4.00
Current portion of long-term borrowing from parent company	-	-	-	3.00	5.00
Current portion of long-term borrowing from financial institution	15.89	11.95	13.54	14.21	14.21
Current portion of lease liabilities	0.05	-	0.21	0.12	8.68
Current income tax payable	0.19	0.69	0.51	0.86	2.24
<b>Total current liabilities</b>	<b>40.32</b>	<b>41.16</b>	<b>36.70</b>	<b>60.96</b>	<b>88.31</b>
Long-term borrowing from parent company	-	-	-	2.00	-
Long-term borrowing from financial institution	51.84	43.85	43.87	32.49	18.28
Lease liabilities	0.04	-	0.22	0.08	21.13
Deferred tax liabilities	-	-	-	-	0.02
Provision for employee benefits	2.50	2.05	2.41	2.44	2.82
<b>Total non-current liabilities</b>	<b>54.38</b>	<b>45.90</b>	<b>46.50</b>	<b>37.00</b>	<b>42.24</b>
<b>Total liabilities</b>	<b>94.70</b>	<b>87.06</b>	<b>83.20</b>	<b>97.96</b>	<b>130.55</b>
<b>Equity</b>					
Issued and paid-up share capital	47.32	47.32	47.32	47.32	47.32
Share premium in ordinary shares	343.54	343.54	343.54	343.54	343.54
Retained earnings (loss)	(73.25)	(101.34)	(211.08)	(226.51)	(226.77)
Other components of equity	(2.20)	(2.20)	(2.20)	(3.39)	(3.39)
Equity attributed to owner of the parent	315.42	287.33	177.58	160.96	160.69
Non-controlling interests	(0.53)	(0.33)	(0.28)	(0.29)	0.25
<b>Total Equity</b>	<b>314.89</b>	<b>286.99</b>	<b>177.30</b>	<b>160.68</b>	<b>160.94</b>
<b>Total liabilities and equity</b>	<b>409.59</b>	<b>374.05</b>	<b>260.51</b>	<b>258.63</b>	<b>291.49</b>

Source: Financial statement for the year 2018-2022



➤ Statement of cash flows

Statement of cash flows (Unit: USD million)	31 December r 2018	31 December r 2019	31 December r 2020	31 December r 2021	31 December r 2022
Cash flows from (used in) operating activities	9.88	(2.40)	(6.14)	(2.86)	28.39
Cash flows from (used in) investing activities	(25.87)	4.42	22.32	(19.20)	(9.99)
Cash flows from (used in) financing activities	(15.83)	(15.11)	(0.96)	(7.57)	(17.93)
Net cash from losing control in subsidiaries	-	(1.10)	-	-	-
Effect of exchange rate changes on cash and cash equivalents	(0.39)	0.20	0.04	(0.14)	(0.65)
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>(32.21)</b>	<b>(13.99)</b>	<b>15.26</b>	<b>(29.77)</b>	<b>(0.18)</b>
Cash and cash equivalents at beginning of year	68.69	36.48	22.50	37.76	7.98
<b>Cash and cash equivalents at ending of year</b>	<b>36.48</b>	<b>22.50</b>	<b>37.76</b>	<b>7.98</b>	<b>7.80</b>

Source: Financial statement for the year 2018-2022

➤ Key financial ratios

Table of MML's key financial ratios for the year 2018-2022

Details	Unit	2018	2019	2020	2021	2022
<b>Liquidity ratio</b>						
Current Ratio	Times	2.45	2.16	2.26	1.43	0.84
Account receivable turnover ratio	Times	2.20	2.21	2.37	1.47	3.50
Collection period	Days	165.59	165.52	153.77	247.60	104.20
Account payable turnover ratio	Times	4.29	3.86	4.25	2.65	3.81
Payment Period	Days	85.10	94.62	85.91	137.85	95.77
<b>Profitability Ratio</b>						
Gross profit margin	Percentage	(9.51)	(2.94)	(13.81)	(1.46)	7.79
Net profit margin	Percentage	(28.81)	(22.86)	(130.81)	(14.04)	0.15
<b>Operating Efficiency Ratio</b>						
Return on assets	Percentage	(6.66)	(6.18)	(34.54)	(6.04)	0.12
Return on equity	Percentage	(8.67)	(8.05)	(47.21)	(9.27)	0.21
<b>Financial policy ratio</b>						
Debt to Equity Ratio	Times	0.30	0.30	0.47	0.61	0.81
Interest Bearing Debt to Equity Ratio	Times	0.22	0.20	0.33	0.32	0.44
Debt service coverage ratio (DSCR)	Times	N/A	N/A	N/A	0.08	1.00

Source: Financial statement for the year 2018-2022





## Management Discussion and Analysis

### Performance

#### Revenue from rendering services

In 2018-2022, MML's revenue from rendering services is USD 94.76 million, USD 105.93 million, USD 83.78 million, USD 111.59 million and USD 223.94 million respectively, with a cumulated annual growth rate (CAGR) from 2018 to 2022 is 23.99%.

In 2019, MML's revenue from rendering services is USD 105.93 million, an increase of USD 11.17 million or 11.79% from the year 2018, which was USD 94.76 million due to MML's fleet utilization increase from 57.00% in 2018 to 79.00% in 2019.

In 2020, MML's revenue from rendering services is USD 83.78 million, a decrease of USD 22.15 million or 20.91% from the year 2019 which was USD 105.93 million, due to the impact of isolation measures to prevent the spread of COVID-19 virus in the second half of 2020 that affects ships enter and exit the dry docks, bringing the main ship to dry dock according to the ship's regulations and lower wages per day.

In 2021, MML's revenue from rendering services is USD 115.9 million, an increase of USD 27.81 million or 33.20% from the year 2020 which was USD 83.78 million, due to the expansion of business to submarine pipeline and cable projects, including installation and demolition.

In 2022, MML's revenue from rendering services is USD 223.94 million, an increase of USD 112.34 million or 100.67% from the year 2021 which was USD 111.59 million, due to COVID-19 pandemic, including the recognition of increasing revenue from submarine pipeline and cable projects, including installation and demolition.

#### Gross profit margin

In 2018-2021, MML's gross loss was (USD 9.01million), (USD 3.12 million), (USD 11.57 million), and (USD 1.63 million), respectively with a gross profit of USD 17.46 million, representing a percentage of gross profit from 2018 to 2022, (9.51%), (2.94%), (13.81%), (1.46%), and 7.79%.

In 2019, MML's gross loss of USD 3.12 million or gross profit margin of (2.94%) with a decreasing loss of USD 5.89 million, compared to the year 2018 with a gross loss of USD 9.01 million or gross profit margin of (9.51%) due to the increasing revenue from rendering services compared to 2018, although there is still a gross loss from the cost of rendering services as per the increasing of revenue.

In 2020, MML's gross profit is USD 11.57 million, or 13.81% gross profit margin, with an increase in losses of USD 8.45 million compared to a gross loss of USD 3.12 million in 2019 or (2.94%) gross profit margin, due to the impact of isolation measures to prevent the spread of COVID-19 virus. As



a result, revenue decreases, while the fixed fees, service costs cannot be reduced to a percentage of revenue, such as rent, staff, and other expenses.

In 2021, MML's gross loss is USD 1.63 million, or gross profit margin of (1.46%), with a decreasing loss of USD 9.94 million, compared to a gross loss of USD 11.57 million in 2020 or a gross profit margin of (13.81%) due to the expansion of business to submarine pipeline and cable projects, including installation and demolition, which results in the increased revenue to compensate for MML's existing fixed costs.

In 2022, MML's gross profit is USD 17.46 million, or 7.79% of gross profit, with an increase of USD 19.09 million or 1.63% of gross profit compared to 2021 which gross loss of (USD 1.46 million) due to the relaxation of isolation measures to prevent the spread of COVID-19 virus which affect the increase revenue to compensate for existing fixed costs while recognizing revenue from submarine pipeline and cable projects, including installation and demolition, which will play a role in generating revenue for MML.

#### Selling and administrative expenses

In 2018-2022, MML's selling and administrative expenses is USD 24.98 million, USD 23.66 million, USD 24.66 million, USD 14.4 million, and USD 15.45 million, respectively, the ratio of selling and administrative expenses to revenue from rendering services is 26.36%, 22.33%, 29.44%, 12.90% and 6.90%, respectively.

In 2019, MML's selling and administrative expenses is USD 23.66 million, a decrease of USD 1.33 million or 5.30%, compared to the year 2018, which was USD 24.98 million, due to improvements in legitimate employee benefits and a decrease in employee professional and travel expenses.

In 2020, MML's selling and administrative expenses is USD 24.66 million, an increase of USD 1.01 million or 4.26%, compared to the year 2019, which was USD 23.66 million, due to the increase in impairment losses and MML impairment allowances.

In 2021, MML's selling and administrative expenses is USD 14.40 million, a decrease of USD 10.27 million or 41.64 %, compared to the year 2020, which was USD 24.66 million, due to the increase in impairment losses and MML impairment allowances from USD 10.00 million in 2020 to USD 0.70 million in 2021.

In 2022, MML's selling and administrative expenses is USD 15.45 million, an increase of USD 1.06 million or 7.34%, compared to the year 2021, which was USD 14.40 million.



### Net profit margin

In 2018 – 2021, MML's net loss equal to USD 27.30 million, USD 24.22 million, USD 109.59 million, and USD 15.67 million, respectively, and turned around with a profit of USD 0.34 million or equivalent to a net profit margin of (28.81%), (22.86%), (130.81%), (14.04%) and 0.15%, respectively.

In 2019, MML's net loss is USD 24.22 million or a net profit margin of (22.86%) with a loss of USD 3.08 million, compared to the year 2018 with a net loss of USD 27.30 million or equivalent to a net profit margin of (28.81%) due to the increase income from management, while there was a decrease in administrative expenses compared to the year 2019.

In 2020 MML's net loss is USD 109.59 million, or a net profit margin of 130.81% with a loss increased of USD 85.38 million, compared to a net loss of USD 24.22 million or a net profit margin of (22.86%) in 2019 due to the impact of isolation measures to prevent the spread of COVID-19 virus in the second half of 2020 and recognized a loss of USD 680.9 million from the disposition of investments in associates.

In 2021, MML's net loss is USD 15.67 million, or a net profit margin of 14.04%, with a decrease in loss of USD 93.92 million, compared to a net loss of USD 109.59 million or a net profit margin of (130.81%) in 2020 due to the increase in revenue from rendering services as MML expands its business to submarine pipeline and cable projects, including installation and demolition. In addition, there was no loss on the disposition of investments in associates in 2020.

In 2022, MML's net profit is USD 0.34 million, or 0.15% net profit margin, with an increase of USD 16.01 million, compared to 2021, the net profit was (USD 15.67 million) or the net profit margin was (14.04%) due to the recognition of the revenue from submarine pipeline and cable laying projects, compared to 2018-2021, installation and demolition work has increased significantly.



## Financial position

### Assets

As of 31 December 2019, MML's total assets is USD 374.05 million, a decrease of USD 35.54 million from as of 31 December 2018 with total assets equal to USD 409.59 million, due to a decrease in cash and cash equivalents of USD 13.99 million or 38.3%, including the reduction of PPE equal to USD 24.22 million or 14.30% decrease.

As of 31 December 2020, MML's total assets is USD 260.51 million, a decrease of USD 113.54 million from as of 31 December 2019 with total assets equal to USD 374.05 million, due to a decrease in investment in associates of USD 99.95 million or 81.69% decrease.

As of 31 December 2021, MML's total assets is USD 258.63 million, a decrease of USD 1.88 million from as of 31 December 2020 with total assets equal to USD 260.51 million.

As of 31 December 2022, MML's total assets is USD 291.49 million, an increase of USD 32.86 million from as of 31 December 2021 with total assets equal to USD 258.63 million, due to the increase in other non-current account receivable to joint venture and right-of uses of USD 29.16 million.

### Liabilities

As of 31 December 2019, MML's total liabilities is USD 87.06 million, a decrease of USD 7.65 million from total liabilities as of 31 December 2018, with total liabilities equal to USD 94.70 million which decreased from the long-term loans from financial institutions equal to USD 7.99 million.

As of 31 December 2020, MML's total liabilities is USD 83.20 million, a decrease of USD 3.85 million from total liabilities as of 31 December 2019, with total liabilities equal to USD 87.06 million which decreased from the decrease of cost as per the decreasing work affected from the isolation measures to prevent the spread of COVID-19 virus during the second half of 2020.

As of 31 December 2021, MML's total liabilities increased to USD 14.75 million from USD 97.96 million as of 31 December 2020 which was USD 83.2 million, due to the increase of USD 20.32 million for trade and other creditors, complied with the expansion of the submarine pipeline and cable laying business, including installation and demolition.

As of 31 December 2022, MML's total liabilities increased to USD 130.55 million from USD 32.59 million as of 31 December 2020 which was USD 97.96 million, due to the increase of USD 21.05 million from lease liabilities.



## Equity

As of 31 December 2019, MML's shareholders' equity is USD 286.99 million, a decrease of USD 27.9 million as of 31 December 2018, shareholders' equity was USD 314.89 million due to the net loss of USD 24.22 million.

As of 31 December 2020, MML's shareholders' equity is USD 177.30 million, a decrease of USD 109.69 million as of 31 December 2019, shareholders' equity was USD 286.99 million due to the net loss of USD 109.59 million.

As of 31 December 2021, MML's shareholders' equity is USD 160.68 million, a decrease of USD 16.63 million as of 31 December 2020, shareholders' equity was USD 177.30 million due to the net loss of USD 15.67 million.

As of 31 December 2022, MML's shareholders' equity is USD 160.94 million, an increase of USD 0.27 million as of 31 December 2021, shareholders' equity was USD 160.68 million due to the net profit of USD 0.34 million.



## Liquidity analysis

### Cash flow from operating activities

In 2018-2022, MML's net cash flow from operating activities was USD 9.88 million, (USD 6.14 million), USD 2.86 million, and USD 28.39 million. The profit before changes in assets and liabilities was (USD 10.2 million), USD 0.21 million, (USD 10.4 million), USD 4.59 million, and USD 20.52 million, respectively.

### Cash flow from investing activities

In 2018, MML's net cash flow from (used in) investment activities is (USD 25.87 million). This was a result of USD 17.8 million investment in working capital and acquisition of PPE assets, including intangible assets of USD 7.55 million.

In 2019, MML's net cash flow from (used in) investment activities is USD 4.42 million from the disposition of investment in working capital of USD 7.21 million.

In 2020, MML's net cash flow from (used in) investment activities is USD 22.32 million from the disposition of associates of USD 31.00 million.

In 2021, MML's net cash flow from (used in) investment activities is (USD 19.20 million). This was a result of USD 11.95 million investment in working capital and acquisition of PPE assets, including intangible assets of USD 24.64 million.

In 2022, MML's net cash flow from (used in) investment activities is (USD 9.99 million). This was a result from investment in PPE and intangible assets of USD 14.93 million.

### Cash flow from financing activities

In 2018, MML's net cash flow from (used in) financing activities is (USD 15.83 million). This was a result from receiving loan repayment of USD 12.00 million and the repayment of financial liabilities of USD 3.77 million.

In 2019, MML's net cash flow from (used in) financing activities is (USD 15.11 million). This was a result from receiving loan repayment of USD 12.00 million and the repayment of financial liabilities of USD 3.35 million.

In 2020, MML's net cash flow from (used in) financing activities is (USD 0.96 million). This was a result from loan repayment of USD 6.40 million and the repayment of financial liabilities of USD 2.18 million. However, MML had a long-term loan from financial institution of USD 7.96 million.



In 2021, MML's net cash flow from (used in) financing activities is (USD 7.57million). This was a result from loan repayment of USD 15.27 million and the repayment of financial liabilities of USD 1.57 million. However, MML had a long-term loan from financial institution of USD 5.00 million.

In 2022, MML's net cash flow from (used in) financing activities is (USD 17.93 million). This was a result from receiving loan repayment of USD 14.27 million and the repayment of financial liabilities of USD 2.21 million and repayment of lease liabilities of USD 5.45 million. However, MML had an addition of short-term loan from the Company of USD 4.00 million.

#### Net cash and cash equivalent increase (decrease)

In 2018-2022, MML's net cash and cash equivalents increased (decreased) by USD 32.21 million, (USD 13.99 million), USD 15.26 million, USD 29.77 million, and (USD 0.18 million), respectively. The decrease in cash and cash equivalents in 2021 resulted in a net increase (decrease) in cash and cash equivalents at the end of the year due to the working capital investment of USD 11.95 million, MML has a remaining USD 7.98 million and acquired USD 24.64 million worth in PPE, including intangible assets in 2022. MML's year-end cash and cash equivalents were USD 7.8 million, although MML's net cash flows from operating activities was USD 28.39 million, while net cash flows from investing activities was USD 9.90 million and net cash flows from financing activities of USD 17.93 million.

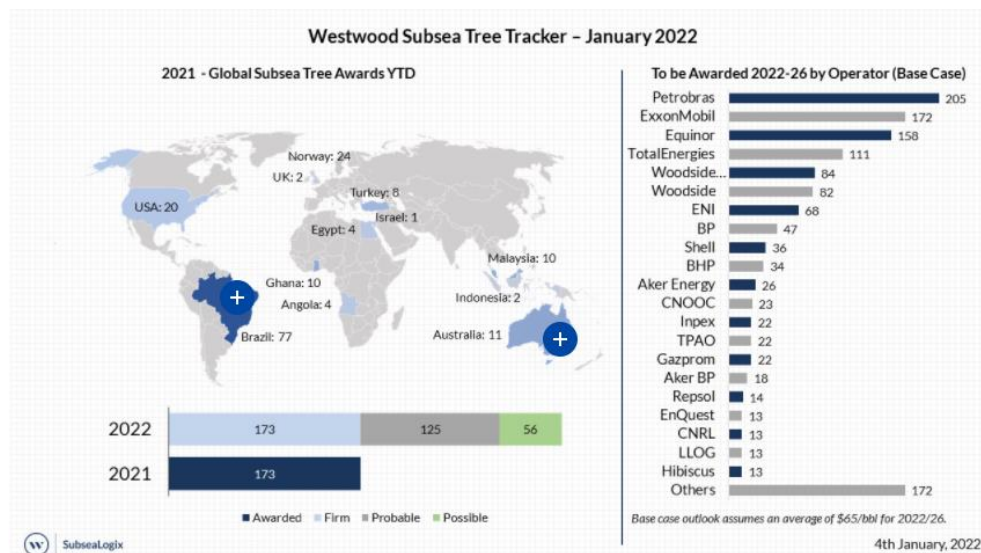
Therefore, considering the Current Ratio, which reflects the ability to repay short-term debt It was found that there was a decreasing trend throughout 2018 - 2022, in line with the increase (decrease) of MML's net cash and cash equivalents. In 2022, MML had a working capital ratio of 0.84 times, which was less than 1 time, indicating relatively liquidity. MML has limit liquidity as the current assets are less than short-term liabilities. This is the main reason why MML needs to seek for financial assistance from the Company for working capital for further business operations. However, when considering the Debt-to-Equity Ratio in 2022, MML still has a ratio of 0.81 times, which indicates the ability of MML for the borrowings in the future.

#### **4.2.8 Industry overview and outlook**

According to the Oil & Gas Global Capex Outlook, global investment will increase by approximately 12.80 percent to USD 447 billion in 2021 due to rising of oil and gas prices and the situation of the spread of the COVID-19 virus. The world economy continues to improve make spending more flexible but the growth rate varies from country to country for global capital expenditures. The spending is expected to rise gradually each year through 2025, but not at pre-pandemic investment levels. Despite an average annual growth rate of approximately 6.50 percent from 2021 to 2025, total expenditure will reach USD 579 billion in 2025, well below the peak of oil and gas investment in 2015.



From the OPEC+ production cut agreement; the most recovering investment growth is expected to come from competition from major oil producers as higher oil prices will help the group's financial position. Steady oil production and allowing previously delayed projects to resume operations and it is expected that the major oil producers of OPEC countries will contribute to the growth of the upstream industry. After low investment over the past few years due to production cuts, overall, the outlook for oil and gas investment remains spread across regions, with the National Oil Company (NOC) as supported by most governments, it will proactively increase expenditures to focus on domestic production and infrastructure. In addition, the demand for the company's subsea valve installations in 2022 - 2026 is currently at 1,380 units. This is an increase of approximately 25.00 percent compared to the period 2017 - 2021, while jobs in Latin America are expected to account for approximately 36.00 percent driven by Petrobras' continued investment in pre-salt exploration. ExxonMobil's pre-salt basin and Stabroek development projects. Therefore, major oil producer investment growth will play a large part in driving MML's revenue.



However, as pressure grows from governments consumers and investors to push carbon cuts and net-zero emissions targets. More capital is expected to be redirected from core upstream developments to new low-carbon industries. Listed oil and gas companies are expected to be more scrutinized. This will result in more stringent carbon reduction targets not incentivizing production growth and reduce the proportion of total investment spent on upstream operations such as exploration. On the other hand, government-backed NOCs are expected to spend capital expenditures to expand domestic production capacity. This trend is expected to continue beyond 2025.