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The Independent Financial Advisor's Opinion Report
on the Connected Transaction Regarding the Providing of Financial Assistance
in the form of a guarantee to financial institution providing guarantees
for Mermaid Maritime Public Company Limited and/or its subsidiaries

Present to
Shareholder Thoresen Thai Agencies Public Company Limited



Thoresen Thai Agencies
Public Company Limited

Prepared by

Avantgarde Capital Co., Ltd.



28 March 2024



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Subject The Independent Financial Advisor's Opinion Report on the Connected Transaction Regarding the Providing of Financial Assistance in the form of a guarantee to financial institution providing guarantees for Mermaid Maritime Public Company Limited and/or its subsidiaries.

To The Director and Manager of 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. 02/2024 held on 6 March 2024 passed the resolution that it deemed appropriate to propose the 2024 Annual General Meeting of Shareholders ("e-AGM") to consider and approve the provision of financial assistance in the form of a guarantee amounting USD 51.74 million or approximately to THB 1,867.60 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024) to financial institution providing guarantees for Mermaid Maritime Public Company Limited ("MML") and/or its subsidiaries (collectively called "MML Group"). 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

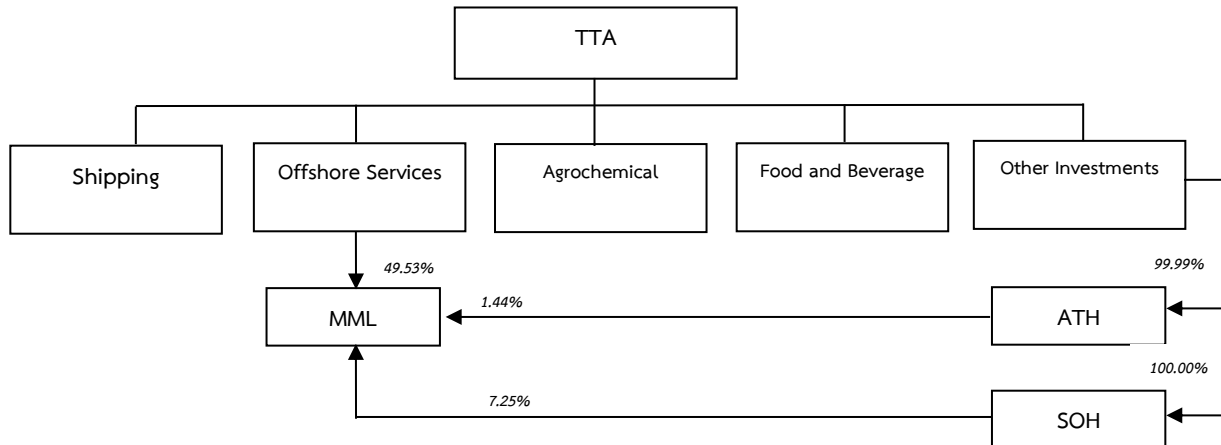
The Company will be able to enter into the transaction after obtaining approval from the 2024 e-AGM on 26 April 2024.

2. Parties Involved and Relationship with the Company

- Guarantor: Thoresen Thai Agencies Public Company Limited or **TTA**
 - A shareholder of MML holding 58.22 percent of the total shares issued and paid-up, directly and indirectly. [Holding directly 49.53 percent and indirectly, through two of its 99.99 and 100 percent owned subsidiaries, 1.47 percent through Athene Holdings Ltd. ("**ATH**") and 7.25 percent through Soleado Holdings Pte. Ltd. ("**SOH**"), respectively].
- Financial Assistance Recipient: Mermaid Maritime Public Company Limited ("MML") and/ or its subsidiaries ("MML Group")
 - Primary Activity: Offshore services investments.
 - MML is a subsidiary of TTA holds 58.22 percent of the total shares issued and paid-up, directly and indirectly through ATH and SOH. MML is listed on the Singapore Stock Exchange.



- Shareholding Structure Chart:



In Year 2023, TTA had revenue of THB 23,975.52 million, which Offshore Services Group (MML) accounted for 40.16 percent of TTA total revenue. MML had revenue of THB 9,628.56 million, increasing 21.79 percent YoY from almost every service. MML's revenue structure consists of subsea inspection, repair, and maintenance (Subsea-IRM) 56.01 percent, Cable Laying 14.62 percent, and decommissioning and transportation & installation (Decommissioning T&I) 29.37 percent.

- Name of Connected Persons:

Director

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. Aussana Mahagitsiri	
5. Mr. Kamolsut Dabbaransi	



Shareholders

Name	TTA (as of 21 March 2024*)		MML (as of 21 March 2024**)	
	No. of Shares	Percent	No. of Shares	Percent
1. TTA Group	-	-	822,908,013	58.22
• TTA	-	-	700,000,000	49.53
• ATH	-	-	20,798,420	1.47
• SOH	-	-	102,109,593	7.22
2. Mr. Chalermchai Mahagitsiri ^{/1}	427,679,159	23.47	150,461,660	10.65
• Mr. Chalermchai Mahagitsiri	277,679,159	15.24		
• Credit Suisse AG, Singapore Branch		8.23		
	150,000,000			
3. Ms. Aussana Mahagitsiri	99,866,937	5.48	63,588,647	4.50
4. Mr. Prayudh Mahagitsiri ^{/2}	110,152,458	6.04	54,536,882	3.86
• Mr. Prayudh Mahagitsiri	87,531,758	4.80		
• DBS Bank Ltd. AC DBS Nominees- PB Clients	22,620,700	1.24		
5. Mrs. Suvimol Mahagitsiri	42,325,623	2.32	-	-
6. Mr. Prasert Bunsumpun	182,000	0.01	-	-

* The latest book closing of TTA as of 10 October 2023

** The latest information from MML as of 10 August 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. 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 110,152,458 shares or 6.04 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 high credential experience and knowledge in marine transportation and business related to offshore services businesses as well as management experience in joint ventures with leading international companies such as the first-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 credentials are widely acknowledged internationally. Moreover, Mr. Chalermchai's international business networks 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 Stock Exchange. Mr. Chalermchai's shareholding in MML provides confidence to stakeholders, local and international investors, and joint venture counterparties under MML's subsidiary, for example, the development of robotic and artificial intelligence technologies for subsea-IRM services. This technology will increase the Company's core competency to compete in subsea-IRM services business more effectively and result in earnings growth.

3. General Characteristics of Transaction

MML Group is primarily a comprehensive offshore service provider, emphasizing engineering work both without the use of vessels and involving specialized vessel and equipment designs. This includes underwater equipment, remotely operated underwater vehicles (ROVs), and highly skilled personnel with expertise in the company's specific business areas. The main categories can be divided into 3 types:

- 1) Subsea Inspection, Repair and Maintenance (Subsea-IRM)
- 2) Cable Laying (Cable Laying)
- 3) Decommissioning and Transportation & Installation (Decommissioning T&I)

MML Group has secured contracts from the world's leading petroleum exploration and production company for 5 projects, totaling USD 382.40 million or approximately THB 13,803.07 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024). However, all 5 employment contracts have stipulated conditions requiring the MML Group to provide a letter of guarantee from a financial institution (L/G Performance Bond) to ensure the performance of the contract, with the amount ranging from 10.00 to 15.00 percent of the project value, guarantee amount totaling USD 51.74 million or approximately THB 1,867.60 million. Further details and conditions of the employment contracts are as follows.

- 1) Decommissioning and Transportation & Installation project in the Gulf of Thailand between the MML Group and leading companies in petroleum exploration and production in Thailand has a project value of USD 270.00 million or approximately THB 9,745.89 million. The project period begins from the second quarter of 2024 to the fourth quarter of 2026. A letter of guarantee from a financial institution is required for this project, with a value equal to 15.00 percent of the project value, equivalent to USD 40.50 million or approximately THB 1,461.88 million.
- 2) The Subsea-IRM project in Qatar between MML Group and leading companies in the world's petroleum exploration and production has a project value of USD 25.00 million or approximately THB 902.40 million. The project period spans from the first quarter of 2024 to the fourth quarter of 2024. A letter of guarantee from a financial institution is required for this project, with a value equal to 10.00 percent of the project value, equivalent to USD 2.50 million or approximately THB 90.24 million.



- 3) The Subsea-IRM project in Saudi Arabia between MML Group and leading companies in the world's petroleum exploration and production has a project value of USD 20.00 million or approximately THB 721.92 million, the project period spans from the first quarter of 2024 to the fourth quarter of 2024. A letter of guarantee from a financial institution is required for this project, with a value equal to 10.00 percent of the project value, equivalent to USD 2.00 million or approximately THB 72.19 million.
- 4) The Cable Laying project in Saudi Arabia involves collaboration between MML Group and a leading global exploration and petroleum production company. The project has a total value of USD 6.40 million or approximately THB 231.01 million. It spans from the second quarter of 2024 to the third quarter of 2024. As part of the project, a financial guarantee from a financial institution is required, amounting to 10.00 percent of the project value, equivalent to USD 0.64 million or approximately THB 23.10 million
- 5) The Cable Laying and Communication Cable Post project in Saudi Arabia involves collaboration between the MML Group and a leading global exploration and petroleum production company. The project has a total value of USD 61.00 million or approximately THB 2,201.85 million. It spans from the second quarter of 2024 to the third quarter of 2024. As part of the project, a financial guarantee from a financial institution is required, amounting to 10.00 percent of the project value, equivalent to USD 6.10 million or approximately to THB 220.18 million.

Currently, MML Group is in negotiations with a financial institution in Thailand. The preliminary approval was granted on 20 February 2024, with the official approval expected to be completed by April 2024. The details of the credit limit, conditions, and important collateral are as follows:

Contracting Parties	Lender: One financial institution Borrower: MML Group
Guarantee Type	L/G Performance Bond (Specific Case)
Objectives	Guarantee a performance of MML Group
Value	USD 51.74 million or approximately THB 1,867.60 million
Fee Rate	1.55 percent per annum
Collateral	Mortgaging 2 vessels of the MML Group, with a total value of USD 118.00 – 128.00 million, was assessed by M3 Marine Valuations Pte Ltd on 12 September 2022.
Corporate Guarantee	Mermaid Maritime Public Company Limited and Thoresen Thai Agencies Public Company Limited both guarantee the full amount.
Other Conditions	None

Remark: The Company will sign the contract after receiving approval from shareholders meeting.



In this regard, based on the approved credit limit information that MML Group has received on a principal basis from a financial institution as mentioned above, to enable the MML Group to proceed with the contract, TTA is required to guarantee the aforementioned credit limit not exceeding USD 51.74 million or approximately THB 1,867.60 million. The draft terms and conditions of the financial assistance agreement in the form of a guarantee between TTA and the MML Group are as follows:

Contracting Parties	Mermaid Maritime Public Company Limited (“MML”) and/or its subsidiaries (collectively “MML Group”)
Guarantee Type	Financial Assistance in the form of guarantees
Objectives	As a corporate guarantor for the revolving Letter of Guarantee (L/G) Performance Bond (Specific Case) to the financial institution
Value	USD 51.74 million or approximately THB 1,867.60 million
Fee Rate	1.00 percent per annum
Terms and Conditions	None
Other Conditions	In the event that the financial institution demands payment from the company according to the value paid to the project employer, the company will send a letter to notify the MML Group to make the payment along with related expenses within the specified period. Should the MML Group make a late payment, interest will be charged at a rate of 9.00 percent per annum, calculated from the due date until the full amount is paid.
Conditions that may affect shareholders' rights	None
Collateral	None

In addition, MML Group raised fund for investments and working capital by applying for credit facilities from financial institutions and borrowing from affiliates. As of 29 February 2024, MML Group has intercompany borrowings in the total amount of USD 69.00 million. Details of TTA financial assistance to MML and its subsidiaries is shown below.

- Summary of TTA financial assistance to MML and its subsidiaries as of 29 February 2024

Type of Financial Assistance	Date of Providing Financial Assistance	Principal Amount (MUSD)	Outstanding Amount (MUSD)	Guarantee Fee per Annum / Interest Rate (Percent)	Objective
Corporate Guarantee	16 September 2021	2.77 ^{1/}	1.51	0.50	Guarantee a loan for working capital
	21 September 2023	3.00	-	0.50	Guarantee a loan for working capital



Type of Financial Assistance	Date of Providing Financial Assistance	Principal Amount (MUSD)	Outstanding Amount (MUSD)	Guarantee Fee per Annum / Interest Rate (Percent)	Objective
	21 September 2023	5.95	5.95	1.00	Guarantee a loan for investment
	Subject to approval by the 2024 e-AGM	51.74	-	1.00	Guarantee a performance of MML Group
Total Corporate Guarantee Amount		63.44	7.46		
Loan	27 December 2021	5.00	5.00	7.00	Working capital
	16 December 2022	4.00	4.00	7.00	Working capital
	10 February 2023	7.50	7.50	7.00	Working capital
	27 April 2023	12.50	12.50	7.00	Working capital
	25 September 2023	5.00	5.00	7.00	Investment
	29 November 2023	50.00	35.00	7.00	Investment and working capital
Total Loan Amount		84.00	69.00		
Grand Total Amount of Financial Assistance of MML and/or its subsidiaries		147.46	76.46		

Remark: 1/ This credit line amount has been approved a total of THB 100.00 million, or approximately 2.77 MUSD (USD 1: THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024). In the past, MML Group has had a clean record of never default payments both principal and interest to the Company.

4. Type and Size of Transaction

This transaction is considered a connected transaction involving 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 (the "Notifications"). Total value of the transaction is USD 53.13 million or approximately THB 1,917.64 million. This includes a guarantee value of USD 51.74 million or approximately THB 1,867.60 and a total fee over the contract period of USD 1.39 or approximately THB 50.04 (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024), or equivalent to 8.92 percent of the Company's Net Tangible Assets ("NTA") according to the latest consolidated financial statements as of 31 December 2023.



When combining the size of this transaction and the connected transactions undertaken by the Company during the past six months which have not yet been approved by the shareholder's meeting based on the aforementioned Notifications, this results in the total value of transactions of 11.65 percent of NTA. These items consist of

- 1) Loan of USD 5.00 million with a total value of USD 5.57 million (principal and interest over the loan period) or approximately THB 202.46 million or equivalent to 0.91 percent of NTA at the transaction occurred,
- 2) Corporate guarantee of USD 3.00 million with a total value of USD 3.77 million (principal and fees throughout the life of the guarantee contract), or approximately THB 137.16 million or equivalent to 0.62 percent of NTA at the transaction occurred,
- 3) Corporate guarantee of USD 5.95 million with a total value of USD 7.34 million (principal and fee over the loan period), or approximately THB 266,931,091 or equivalent to 1.20 percent of NTA at the transaction occurred, and
- 4) Corporate guarantee of USD 51.74 million with a total value of USD 53.12 million (principal and fees throughout the life of the guarantee contract) to financial institution providing guarantees for MML and/ or its subsidiaries, or approximately THB 1,867,601,866 (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024) or equivalent to 8.92 percent of NTA, exceeding 3.00 percent of the Company's NTA according to the latest consolidated financial statements as of 31 December 2023.

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 Co., Ltd.** 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 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 meeting to the shareholders at least 14 days prior to the meeting date.

In this regard, items 1), 3), and 4) must be used to calculate the accumulated transaction size retrospectively in accordance with 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.



5. Expected Benefit to be Received

The Company will receive a return as a guarantee fee of 1.00 percent per annum, which is appropriate because the fee rate that TTA has guaranteed with the MML group in the past falls within the range of 0.50 - 1.00 percent per annum, aligning with TTA's guarantee fee rate. Additionally, the guarantee fee rate is consistent with the rates offered by commercial banks, which range from 0.50 to 1.55 percent. Furthermore, this guarantee assistance will facilitate the smooth operation of the MML Group in meeting customer requirements. Consequently, the MML Group is expected to experience increased income and net profit, which will be reflected in TTA's consolidated financial statements. Moreover, MML has been able to repay its loans to TTA and anticipates being able to pay dividends to TTA in the future.

In consideration of MML's operational performance in the year 2023, the net profit amounted to THB 345,867,248, showing a significant improvement of 912 percent compared to the year 2022, where the net profit was THB 34,159,981. This improvement is attributed to enhanced operations, particularly in the subsea-IRM (Inspection, Repair, and Maintenance) engineering services, which saw a substantial increase in revenue by 43 percent compared to the same period of the previous year. This growth is a result of increased short-term chartering of vessels and non-vessel-related projects in subsea engineering exploration and maintenance. Additionally, the utilization rate of subsea engineering vessels increased to 91 percent in the year 2023, compared to 79 percent in the year 2022. In terms of revenue, the Decommissioning and Transportation & Installation (T&I) projects also saw an increase of 28 percent, compared to the same period in the previous year. This growth is attributed to the successful expansion of business operations in Thailand and Southeast Asia, resulting in an initial profit increase of 57 percent to THB 1,825,871,596. The initial profit margin also increased from 15 percent in 2022 to 19 percent in the year 2023. Moreover, MML has a Debt Service Coverage Ratio (DSCR) of 1.03 as of 31 December 2023, indicating a high ability to repay debts. Additionally, MML Group has a history of high-value service contracts awaiting delivery, totaling USD 734,166,532. Therefore, obtaining financial assistance in the form of guarantees from TTA is in line with the conditions set by the issuing financial institutions for Bank Guarantees provided to MML and/or its subsidiaries. Delivering these guarantees to clients to secure performance as per client conditions will instill confidence in clients, facilitating future business expansion. This sustainable business growth contributes to TTA's overall financial statement growth sequentially.

6. Source of Fund

The guarantor is not required to utilize capital sources unless MML and/or its subsidiaries are unable to fulfill their contractual obligations to clients, resulting in the guarantor bank being called upon to indemnify damages for guaranteeing. However, based on the operational experience and service quality of MML and its subsidiaries, which have consistently delivered high-quality services and fulfilled contractual obligations to clients, there is no history of the guarantor bank being called



upon to indemnify damages for guarantees. Additionally, the value of the collateral that the MML Group has mortgaged with commercial banks is sufficient to support MML's guarantees with commercial banks.

However, in the worst-case scenario, TTA is required to compensate the MML Group as a guarantor up to the maximum amount of THB 1,867,601,866. The capital source as the guarantor comes from the accumulated cash flow within the Company. As of 31 December 2023, TTA has cash and cash equivalents amounting to THB 2,713,310,227 and other financial assets totaling THB 964,028,881, as per the Company's separate financial statements. These funds, after setting aside cash reserves for future investments and debt repayments, are deemed sufficient to provide financial assistance to MML Group. Based on the financial projections for the period 2024-2026, the Company anticipates having ample cash to meet debt obligations. The details are as follows:

Debenture List	Outstanding (MTHB)	Issued Date	Maturity date	Term (Yrs.)	TTM (Yrs.)	Coupon (Percent/Year)
TTA252A	800.00	11 November 2021	11 February 2025	3.25	1.12	4.75
TTA265A	1,200.00	11 November 2021	11 May 2026	4.50	2.36	5.10
TTA260A	1,698.10	19 January 2023	19 October 2026	3.75	3.06	4.40
TTA281A	2,074.40	19 January 2023	19 January 2028	5.00	4.05	4.90
Total	5,772.50					

Source: The Company's information as of 31 December 2023

Remark: As of 2 February 2024, TTA issued senior unsecured debentures in the 1/2024 Series 1 tranche 1, amounting to THB 1,076.30 million, with maturity in the year 2026, a tenure of 2 years, and a fixed interest rate of 4.60 percent per annum. Additionally, Series 2, tranche 2, was issued for THB 2,423.70 million, with maturity in the year 2027, a tenure of 3 years and 6 months, and a fixed interest rate of 5.20 percent per annum.

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

Mr. Prasert Bunsumpun, Mr. Chalermchai Mahagitsiri, Dr. Jean Paul Thevenin are directors of the Company and also serve as directors of MML, Ms. Ausana Mahagitsiri is the younger sister of Mr. Chalermchai Mahagitsiri, and Mr. Kamolsut Dabbaransi is the brother-in-law of Mr. Chalermchai Mahagitsiri, 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 of the Company (excluding directors with conflicts of interest) has thoroughly considered this transaction and believes that the execution of the said transaction is appropriate and beneficial to the Company and its shareholders. This financial assistance to MML Group is deemed necessary for the successful execution of the Decommissioning T&I projects, Subsea-IRM projects and Cable Laying projects as per the signed contracts with clients. This will enable the smooth delivery of services to clients, acknowledgment of revenues in line with the company's plans, and the overall potential for MML Group to expand its business sustainably, resulting in



increased revenues and profits, facilitating the repayment of the loan from TTA. In summary, the financial assistance from TTA is expected to facilitate MML's Group operations, increase its revenue and net profit, and potentially enhance dividends for the Company.

The Company will receive compensation in the form of a guarantee fee of 1.00 percent per annum, which is a fee based on the market standard for commercial bank guarantee fees, typically ranging between 0.50 percent to 1.55 percent per annum of the guaranteed amount. Additionally, this serves as financial assistance to the subsidiary companies.

9. Opinions 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 Holdings Ltd.
“Cable Laying”	Cable Laying
“Decommissioning T&I”	Decommissioning and Transportation & Installation
“MML”	Mermaid Maritime Public Company Limited (“MML”), listed on the Singapore Stock Exchange. MML is a subsidiary of the Company holding 58.22 percent of its total shares issued and paid-up
“PHC”	PH Capital Company Ltd.
“SOH”	Soleado Holdings Pte. Ltd.
“STC”	Siam Taco Ltd.
“Subsea-IRM”	Subsea Inspection, Repair and Maintenance
“MML Group”	Mermaid Maritime Public Company Limited and/or its subsidiaries
“Transaction”	Connected transaction in the form of Providing Guarantees for Mermaid Maritime Public Company Limited and/or its subsidiaries
“SET”	Stock Exchange of Thailand
“IFA”	Avantgarde Capital Company Limited
“The Company” or “TTA”	Thoresen Thai Agencies Public Company Limited
“Letter of Guarantee (Performance bond)”	The collateral provided by the contractor to the project owner at the time of contract signing ensures adherence to the terms of the contract.



Glossary

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1. Executive Summary

With reference to Thoresen Thai Agencies Public Company Limited (“TTA” or the “Company”) in its Board of Directors’ Meeting No. 02/2024 held on 6 March 2024 passed the resolution that it deemed appropriate to propose the 2024 to consider and approve the provision of financial assistance in the form of a guarantee to MML Group. The MML Group has secured contracts from a leading major petroleum exploration and production company for 5 projects, totaling USD 382.40 million or approximately THB 13,803.072 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024). However, all 5 employment contracts have stipulated conditions requiring the MML Group to provide a contract guarantee letter from a financial institution (L/G Performance Bond) as collateral for operations. As per the employment contract, this amount ranges from 10.00 to 15.00 percent of the project value, with the total value of the guarantee set at USD 51.74 million or approximately THB 1,867.60 million. Further details and conditions of the employment contract are as follows:

- 1) The Decommissioning T&I project in Gulf of Thailand between MML Group and leading companies in petroleum exploration and production in Thailand, with whom an employment contract has already been signed. The project holds a value of USD 270.00 million or approximately THB 9,745.89 million, and its duration spans from the 2nd quarter of 2024 to the 4th quarter of 2026. This project necessitates a letter of guarantee from a financial institution, amounting to 15.00 percent of the project value, equivalent to USD 40.50 million or approximately THB 1,461.88 million.
- 2) The Subsea-IRM in Qatar^{1/} between MML Group and leading companies in the world’s petroleum exploration and production. A letter of intent (LOI) has been signed, and the contract is expected to be finalized within March 2024. The project holds a value of USD 25.00 million or approximately THB 902.40 million, with a project period spanning from the 1st quarter of 2024 to the 4th quarter of 2024. As part of the contractual requirements, a letter of guarantee from a financial institution is needed. This guarantee amounts to 10.00 percent of the project value, equivalent to USD 2.50 million or approximately THB 90.24 million. The MML Group has already commenced providing some services and anticipates being able to furnish the letter of guarantee to the employer within the 2nd quarter of 2024.
- 3) The Subsea-IRM in Saudi Arabia^{1/} between MML Group and leading companies in the world’s petroleum exploration and production. A letter of intent (LOI) has been signed, and the contract is expected to be finalized within March 2024. The project holds a value of USD 20.00 million or approximately THB 902.40 million, with a project period spanning from the 1st quarter of 2024 to the 4th quarter of 2024. As part of the contractual requirements, a letter of guarantee from a financial institution is needed. This guarantee amounts to 10.00 percent of the project value, equivalent to USD 2.00 million or approximately THB 72.19 million. The MML Group has already



commenced providing some services and anticipates being able to furnish the letter of guarantee to the employer within the second quarter of 2024.

- 4) The Cable Laying project in Saudi Arabia between MML Group and leading companies in the world's petroleum exploration and production, with whom an employment contract has already been signed. The project is valued at USD 6.40 million or approximately THB 231.01 million, and it is scheduled to take place from the 2nd quarter of 2024 to the 3rd quarter of 2024. As part of the project requirements, a letter of guarantee from a financial institution is necessary. This guarantee amounts to 10.00 percent of the project value, which equals USD 0.64 million or approximately THB 23.10 million.
- 5) The Cable Laying project in Saudi Arabia between MML Group and leading companies in the world's petroleum exploration and production, with whom an employment contract has already been signed. The project is valued at USD 61.00 million or approximately THB 2,201.85 million, and it is scheduled to take place from the 2nd quarter of 2024 to the 3rd quarter of 2024. As part of the project requirements, a letter of guarantee from a financial institution is necessary. This guarantee amounts to 10.00 percent of the project value, which equals USD 6.10 million or approximately THB 220.18 million.

For entering into the mentioned transaction, it is considered a connected transaction. This falls under the category of financial assistance to MML, in which the Company holds a larger share compared to connected persons. This classification is based on the announcement of the Capital Market Supervisory Board No. TorChor. 21/2008 concerning criteria for conducting connected transactions, and the announcement of the Stock Exchange of Thailand board regarding information disclosure and operations of listed companies in the 2003 connected transactions. The total value of the transaction is approximately USD 53.13 million or approximately THB 1,917.64 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024). This transaction size represents approximately 8.92 percent of the value of the Company's net tangible assets (NTA) according to the Company's latest consolidated financial statement as of 31 December 2023. Therefore, the transaction is considered a connected transaction with a size exceeding 3.00 percent of the net tangible assets of the Company and a value exceeding THB 20.00 million. As a result, the company must seek approval from the Board of Directors' meeting. Additionally, it must prepare reports and disclose information regarding the Company's transactions to the Stock Exchange of Thailand ("**Stock Exchange**") in accordance with the connected transactions announcement. Approval to enter into the said transaction must be obtained from the shareholder meeting, requiring a vote of not less than three-quarters of the total number of votes of shareholders attending the meeting and having the right to vote. Shareholders with vested interests are excluded from this count. Moreover, the company is required to appoint an independent financial advisor (IFA) approved by the Securities and Exchange Commission ("**SEC**").



Based on the analysis of the IFA on the reasonableness and benefits, advantages and disadvantages of entering into the Transaction with connected persons compared to third parties, as well as all risks, including the appropriateness of the transaction price and other conditions of the Transaction, the IFA, as a result, deems **appropriate** as follows:

1. The Company receives fees from being a guarantor for the MML Group for the fee rate is 1.00 percent per annum in the total fee over the contract period of USD 1.39 million or approximately THB 50.04 million.
2. The Company anticipates receiving higher returns from its collaboration with the MML Group, which will positively impact its consolidated financial statements. This is expected to lead to increased income and net profit for the Company. Furthermore, it is anticipated that the Company will receive more dividends from its investment in the MML Group as a result of their enhanced performance and profitability.
3. Assisting the MML Group in expand its services in this business sector in the future, which could further enhance the reputation of the MML Group. This expansion potential for MML signifies the ability to develop a sustainable business model and generate stable income over time. Consequently, this growth trajectory is expected to contribute to higher income levels reflected in the Company's consolidated financial statements.

However, entering into the Transaction has **disadvantages** that shareholders should consider additionally in making a decision and voting for approval of the Transaction as follows.

1. The Company will incur increased liabilities in its subsidiary, even if it is merely providing a guarantee for the contracted projects

In addition, entering into the Transactions may create **risks** for the Company. This may be caused by factors that can and/or cannot be controlled in various situations that should be further considered as follows.

1. The risk of not being approved by the shareholders' meeting of the Company. As the transaction involves related parties, it must receive votes from at least three out of four shareholders present and eligible to vote at the shareholders' meeting, excluding the portion of shares held by those with vested interests.
2. The risk that the company faces cash flow risks if the MML group undertakes any actions that deviate from or go beyond the terms of the contract with the project owner, resulting in damage to the



project. Additionally, there is a risk of full or partial call on guarantees if the MML group fails to comply with the terms of the contract.

For the reasonableness of the conditions for entering into the transaction, the IFA has considered that is the appropriateness and necessity of providing financial assistance in the form of guaranteeing a loan amount not exceeding USD 51.74 million or approximately THB 1,867.60 million. This is because the project owner has stipulated conditions requiring the MML group to obtain a Letter of Guarantee in the form of a Performance Bond from a financial institution to serve as the main guarantee for fulfilling the contracts of each project. Additionally, based on interviews with the MML group, it is noted that projects from leading clients in the exploration and major petroleum production sector usually require the service provider to issue a guarantee letter from a financial institution as a standard practice in the industry. Furthermore, the MML group anticipates initial profits ranging from 13.00% to 24.00% of the project value, translating to initial profit values of USD 49.71 million to 91.78 million or approximately THB 1,794.40 to 3,312.74 million. Moreover, the company receives a fee of 1.00% per annum for the transaction, amounting to a maximum fee value of USD 0.52 million per annum or approximately THB 18.68 million per annum. Historically, the company has charged a fee for guaranteeing transactions with the MML group ranging from 0.50% to 1.00% per annum, which is in line with the commercial bank guarantee fee rates previously received by the company.

From the information received, when MML group obtained approval from the financial institution and had ships as collateral in case of damage, with the value of collateral being higher than the approved guarantee amount, this serves to mitigate risks in unforeseen circumstances. Moreover, in the event that the company needs to compensate the MML group for the guaranteed amount, there are sufficient cash and other assets available for compensation, without impacting TTA's financial ratios. Therefore, the financial assistance provided in the form of guaranteeing the loan amount in this instance is reasonable and appropriate, and can be carried out as planned without posing any risk to TTA's financial ratios. Hence, shareholders should approve the aforementioned transaction at the annual shareholders' meeting for the year 2023, as per the recommendation of the financial consultant.

The purpose of entering into the aforementioned transaction in the form of providing financial assistance in the form of a guarantee to MML Group, a company registered in the Singapore Stock Exchange and a subsidiary in which the Company holds 58.22 percent of the total issued and distributed shares, is necessary for the implementation of projects such as Decommissioning T&I, Cable Laying, and Subsea-IRM according to the contracts signed with clients. This is to ensure smooth project execution and timely delivery to clients, allowing MML Group to generate revenue and recognize income as per their business plans. This will ultimately result in increased revenue and net profit for MML Group, enhancing its ability to repay loans, improving the overall financial position of the Company, and enabling MML Group to distribute dividends to the Company in the future.



Therefore, when considering the rationale behind the transaction, including its benefits, drawbacks, and risks, the independent financial advisor believes that the transaction is appropriate, and shareholders should approve it. However, the decision to approve or disapprove the transaction ultimately lies with the discretion of the shareholders. It is important for shareholders to carefully review all information, opinions, and details provided by the independent financial advisor, including the advantages and disadvantages of the transaction, in making their decision



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. 02/2024 held on 6 March 2024 passed the resolution that it deemed appropriate to propose the 2024 Annual General Meeting of Shareholders (“e-AGM”) to consider and approve the provision of financial assistance in the form of a guarantee amounting USD 51.74 million or approximately to THB 1,867.60 million (USD 1: THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024) to financial institution providing guarantees for Mermaid Maritime Public Company Limited (“MML”) and/or its subsidiaries (collectively called “MML Group”). 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:

MML Group has been contracted by a major petroleum exploration and production company to offshore services projects, totaling a project value of USD 382.40 million or approximately THB 13,803.07 million. However, regrettably, contracts for all five projects have been lost. As a result, certain conditions have been stipulated for the MML Group to fulfill, including the submission of a letter of guarantee. This contract guarantee is issued by a financial institution in the form of a Performance Bond to ensure performance according to the contract, with an amount ranging from 10.00 to 15.00 percent of the project value. The total value of this guarantee amounts to USD 51.74 million, or approximately THB 1,867.60 million. Below are the details and conditions of the employment contract as follow:

- 1) The Decommissioning T&I project in Gulf of Thailand between MML Group and leading companies in petroleum exploration and production in Thailand, with whom an employment contract has already been signed. The project holds a value of USD 270.00 million or approximately THB 9,745.89 million, and its duration spans from the 2nd quarter of 2024 to the 4th quarter of 2026. This project necessitates a letter of guarantee from a financial institution, amounting to 15.00 percent of the project value, equivalent to USD 40.50 million or approximately THB 1,461.88 million.
- 2) The Subsea-IRM in Qatar^{1/} between MML Group and leading companies in the world’s petroleum exploration and production. A letter of intent (LOI) has been signed, and the contract is expected to be finalized within March 2024. The project holds a value of USD 25.00 million or approximately THB 902.40 million, with a project period spanning from the 1st quarter of 2024 to the 4th quarter of 2024. As part of the contractual requirements, a letter of guarantee from a financial institution is needed. This guarantee amounts to 10.00 percent of the project value, equivalent to USD 2.50 million or approximately THB 90.24 million. The MML Group has already commenced providing some services and anticipates being able to furnish the letter of guarantee to the employer within the 2nd quarter of 2024.



- 3) The Subsea-IRM in Saudi Arabia^{1/} between MML Group and leading companies in the world's petroleum exploration and production. A letter of intent (LOI) has been signed, and the contract is expected to be finalized within March 2024. The project holds a value of USD 20.00 million or approximately THB 902.40 million, with a project period spanning from the 1st quarter of 2024 to the 4th quarter of 2024. As part of the contractual requirements, a letter of guarantee from a financial institution is needed. This guarantee amounts to 10.00 percent of the project value, equivalent to USD 2.00 million or approximately THB 72.19 million. The MML Group has already commenced providing some services and anticipates being able to furnish the letter of guarantee to the employer within the second quarter of 2024.
- 4) The Cable Laying project in Saudi Arabia between MML Group and leading companies in the world's petroleum exploration and production, with whom an employment contract has already been signed. The project is valued at USD 6.40 million or approximately THB 231.01 million, and it is scheduled to take place from the 2nd quarter of 2024 to the 3rd quarter of 2024. As part of the project requirements, a letter of guarantee from a financial institution is necessary. This guarantee amounts to 10.00 percent of the project value, which equals USD 0.64 million or approximately THB 23.10 million.
- 5) The Cable Laying project in Saudi Arabia between MML Group and leading companies in the world's petroleum exploration and production, with whom an employment contract has already been signed. The project is valued at USD 61.00 million or approximately THB 2,201.85 million, and it is scheduled to take place from the 2nd quarter of 2024 to the 3rd quarter of 2024. As part of the project requirements, a letter of guarantee from a financial institution is necessary. This guarantee amounts to 10.00 percent of the project value, which equals USD 6.10 million or approximately THB 220.18 million.

Remark 1/ MML Group has initiated the provision of some services since the 1st quarter of 2024. It is anticipated that MML Group will be able to furnish the guarantee letter to the employers within the 2nd quarter of 2024.

Based on interviews with the company and MML Group, it has been stated that projects sourced from major petroleum exploration and production entities, or those with substantial work value, typically entail a requirement for the recipient of subsea services to provide a letter of guarantee issued by a financial institution as collateral for operations. This practice is regarded as standard within the industry. Additionally, MML Group anticipates that the project will yield a gross profit ranging between 13.00 to 24.00 percent of the project value. This translates to a gross profit value of USD 49.71 million to USD 91.78 million, or approximately THB 1,794.40 million to THB 3,312.74 million.

On February 20, 2024, a financial institution approved the L/G Performance Bond credit line for MML Group. Below are the details of the credit line, conditions, and important collateral as follow:



Credit parties	Lender: one financial institution Borrower: Mermaid Maritime Public Company Limited and/ or its subsidiaries.
Credit type	L/G Performance Bond (Specific Case)
Objective	Guarantee a performance of MML Group
Value	USD 51.74 million ^{1/}
Fee	1.55 percent per annum
Collateral	Mortgaging 2 vessels of the MML Group, with a total value of USD 118.00 – 128.00 million, or approximately THB 4,259.32 – 4,620.28 million ^{2/}
Corporate guarantee	Mermaid Maritime Public Company Limited and Thoresen Thai Agencies Public Company Limited both guarantee the full amount.
Other condition	None

Remark: The Company will sign the contract after receiving approval from shareholders meeting.

1/ This credit line amount has been approved a total of THB 100.00 million, or approximately 2.77 MUSD (USD 1: THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024).

2/ Valued on September 12, 2022, by M3 Marine Valuations Pte Ltd, experts in offshore consulting and asset valuation.

Based on the information regarding the approved credit amount received by the MML Group from one financial institution, and in order for the MML Group to proceed with the employment contract, the Company is required to act as a guarantor for the specified amount, not exceeding USD 51.74 million or approximately THB 1,867.60 million ("**Entering into the transaction**"). The draft conditions of the financial assistance contract, in the form of a guarantee between The Company and the MML Group, are as follows:

Credit parties	Lender: one financial institution Borrower: Mermaid Maritime Public Company Limited and/ or its subsidiaries.
Guarantee type	Financial Assistance in the form of a guarantee to financial institution
Objective	To act as a corporate guarantor for the revolving credit line, as outlined in the letter of guarantee provided in the form of a Performance Bond (Specific) issued to financial institutions.
Value	USD 51.74 million or approximately THB 1,867.60 million
Fee	1.00 percent per annum
Condition	None
Other condition	In the event that the financial institution demands payment from the company according to the value paid to the project employer, the company will send a letter to notify the MML Group to make the payment along with related expenses within the specified period. Should the MML Group make a late payment, interest will be charged at a rate of 9.00 percent per annum, calculated from the due date until the full amount is paid.
Conditions that may affect shareholders' rights	None
Collateral	none

Remark: The Company signs the contract after approval by the AGM.



This transaction is categorized as a connected transaction, where the Company holds more shares than connected persons. This falls under the regulations stipulated in the Capital Market Supervisory Board's Announcement No. TorChor. 21/2008, which outlines rules for conducting connected transactions, and the Stock Exchange of Thailand's announcement regarding information disclosure and operations of listed companies in the 2003 connected transactions. The total value of this transaction is approximately USD 53.13 million or approximately USD 1,917.64 million. This comprises a guarantee value of USD 51.74 million or approximately THB 1,867.60 million, and a total fee value throughout the life of the guarantee contract of USD 1.39 million or approximately THB 50.04 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024). This transaction represents approximately 8.92 percent of the Company's net tangible assets (Net Tangible Asset: NTA) as per the latest consolidated financial statements as of 31 December 2023. The Company's responsibilities in this matter include the following:

- 1) Disclose the information of the transaction to the Stock Exchange of Thailand.
- 2) Appoint an independent financial advisor, whereby the Company appointed **Avantgarde Capital Co., Ltd.** 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
- 3) 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 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 2024 e-AGM on 26 April 2024. This transaction involves providing financial assistance in the form of a guarantee for a credit line to a financial institution. The financial institution will then provide loans to the MML Group, which will utilize them as collateral to comply with the terms of the contract for each project.



2.3 Contract Parties and their Relationship

Financial Assistance Provider	The Company
Financial Assistance Receiver	MML Group
Relationship	The Company holds 58.22 percent in aggregation of both direct and indirect of the total shares issued and paid-up. (The Company directly holds 49.53 percent of shares and indirectly holds shares through subsidiaries. 2 companies, namely Athene Holdings Company Limited ("ATH") 1.47 percent and holding shares through Soleado Holdings Pte. Ltd. ("SOH") 7.22 percent. of all issued and sold shares of MML) However, the major shareholders and some directors of the Company are shareholders and directors of MML.

The list of directors who are related and the nature of the relationship between the Company and MML totals 5 persons, details as follows:

Name	The Company (as of 31 January 2024) ^{1/}	MML (as of 31 January 2024) ^{2/}
Mr. Chalermchai Mahagitsiri (Ms. Ausana Mahagitsiri's brother and Mr. Kamolsut Dabbaransi's brother-in-law)	<ul style="list-style-type: none"> Executive Director President and Chief Executive Officer Member of Executive Committee Chairman of Investment Committee Hold the Company both directly and indirectly 23.47 percent 	<ul style="list-style-type: none"> Non-Executive Director President and Chief Executive Officer Deputy Chief Executive Officer Hold the Company both directly and indirectly 24.31 percent
Mr. Prasert Bunsumpun	<ul style="list-style-type: none"> Chairman of the Board Non-Executive Director Chairman of Executive Committee Hold the Company directly 0.01 percent 	<ul style="list-style-type: none"> Non-Executive Director Chairman of the Board Chairman of Executive Committee Hold the Company both directly and indirectly 0.006 percent
Mr. Jean Pual Thevenin	<ul style="list-style-type: none"> Non-Executive Director Member of Executive Committee Member of Risk Management Committee Member of Investment Committee Member of Corporate Governance Committee 	<ul style="list-style-type: none"> Non-Executive Director Member of Executive Committee Chairman of Risk Management Committee Member of Audit Committee Member of Nomination Committee Member of Remuneration Committee
Ms. Ausana Mahagitsiri	<ul style="list-style-type: none"> Executive Director Deputy Chief Executive Officer Member of Executive Committee 	<ul style="list-style-type: none"> Hold MML both directly and indirectly 7.69 percent



Name	The Company (as of 31 January 2024) ^{1/}	MML (as of 31 January 2024) ^{2/}
(Mr. Chalermchai Mahagitsiri's sister and Mr. Kamolsut Dabbaransi's spouse)	<ul style="list-style-type: none"> Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Hold the Company directly 5.48 percent 	
Mr. Kamolsut Dabbaransi (Ms. Ausana Mahagitsiri's spouse and Mr. Chalermchai Mahagitsiri's brother-in-law)	<ul style="list-style-type: none"> Executive Director Senior Executive Vice President, Head of Food & Beverage Chairman of Sustainable Development Committee 	

Note: 1/ Information as of the Company's latest book closing date 31 January 2566 and shareholding details can be found in Appendix 4.1

2/ Latest MML information as of 31 January 2567 and shareholding details can be found in Appendix 4.2

According to the Board of Directors Meeting No. 02/2024 held on 6 March 2024, the list directors above have conflict of 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 leading company in global food and beverage manufacturers and the world's leading 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 the Company's core competency to compete in subsea IRM services business more effectively and result 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:** the transaction of providing financial assistance to MML Group is categorized as a type 5 connected transaction, as per the connected transaction announcement. This transaction has a total value of USD 53.13 million, or approximately THB 1,917.64 million. It comprises a guarantee value of USD 51.74 million, or approximately THB 1,867.60 million, and a total fee value throughout the life of the guarantee contract amounting to USD 1.39 million, or approximately THB 50.04 million (USD 1 : THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024), equivalent to 8.92 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 ^{1/}	= 1,917.64 = 8.92 Percent 22,180.98

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

Connected Transaction over the past 6 months: Since 6 September 2023 to 6 March 2024 The financial assistance transactions that occurred within 6 months prior to the date of approval by the board of directors. The total transaction size of the Company is 11.65%. The scale of related party transactions in the past 6 months is as follows:

Transaction over the past 6 months	Date	Transaction size (Percent)
1. Corporate guarantee to MML in the amount of USD 3.00 million	21 September 2023	0.62
2. Corporate guarantee to MML in the amount of USD 5.95 million	21 September 2023	1.20
3. Financial assistance to MML in the amount of USD 5.00 million	25 September 2023	0.91



Transaction over the past 6 months	Date	Transaction size (Percent)
4. Financial assistance to MML in the amount of USD 50.00 million	Approved by the EGM of Shareholders No. 1/2023 on 29 November 2023	-
5. Financial assistance to MML in the amount of USD 51.74 million	Subject to approval by the e-AGM No. 1/2023	8.92
Total		11.65

In this regard, the total value of the loan with its interest over the loan period for this transaction is no more than THB 1,917.64 million, which has the transaction size of 8.92 percent of NTA according to the audited consolidated financial statements of the Company and its subsidiaries ended 31 December 2023 (NTA are equal to THB 21,502.49 million) 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 11.65 percent. therefore, the Company is required to:

- 1) Disclose the information of the Transaction to the Stock Exchange of Thailand.
- 2) 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
- 3) 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 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

Term and Conditions	Details
Credit parties	The Company as a “Guarantor” MML Group as a “Borrower”
Credit details	Working capital credit line, guaranteed by a Performance Bond letter of guarantee specifically issued to a financial institution, securing an amount of USD 51.74 million or approximately THB 1,867.60 million ^{1/}
Objectives	To act as a corporate guarantor for the revolving credit line, as specified in the Performance Bond letter of guarantee issued to financial institutions.
Value	USD 51.74 million or approximately THB 1,867.60 million
Fee	1.00 percent per annum
Collateral	None.



Term and Conditions	Details
Other condition	In the event that the financial institution demands payment from the company according to the value paid to the project employer, the company will send a letter to notify the MML Group to make the payment along with related expenses within the specified period. Should the MML Group make a late payment, interest will be charged at a rate of 9.00 percent per annum, calculated from the due date until the full amount is paid.
Conditions that may affect the rights of shareholder	None.

Note: 1/ USD 1: THB 36.0959, reference with foreign exchange rate announced by the Bank of Thailand as of 29 February 2024

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. 02/2024 held on 6 March 2024, 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, from the need for financial support in the form of guarantee bonds. This need arises because the MML group has been contracted by a leading company in the exploration and production of petroleum for five major projects. The conditions set for the MML group require them to obtain Performance Bonds in the form of L/G Performance Bonds from financial institutions to guarantee the fulfillment of each project's contract. The required bond amounts to 10.00% to 15.00% of each project's value, totaling USD 51.74 million or approximately THB 1,867.60 million. Therefore, the MML group applied for a line of credit in the form of Performance Bonds totaling USD 51.74 million or approximately THB 1,867.60 million from a financial institution in Thailand. This credit facility was approved on 20 February 2024, and the company is required to act as the full guarantor. The company will sign the agreement after receiving approval at the Annual Shareholders' Meeting for the year 2024.

Upon consultation, it is deemed reasonable to engage in financial transactions involving guarantee bonds. This is because the project owners have stipulated conditions requiring the MML group to obtain Performance Bonds from financial institutions as a security measure to ensure the fulfillment of contractual obligations for each project. Based on interviews with the MML group, it is noted that projects acquired from leading exploration and petroleum production companies or high-value projects typically entail requirements for service providers to procure guarantee bonds issued by financial institutions as a standard practice in the industry. Additionally, the MML group anticipates initial profits ranging from 13.00% to 24.00% of the project value, translating to initial profit values of approximately USD 49.71 - 91.78 million or approximately THB 1,794.40 - 3,312.74 million.



3.2 History of providing financial assistance to the Company

TTA provides financial assistance to the MML group, consisting of guarantee assistance with a remaining debt burden of USD 7.46 million and loan assistance with a remaining debt burden of USD 69.00 million.

The company has provided assistance to the MML group as follows:

- List of Financial Assistance Provided in the Form of Guarantees

Lender	Borrower	Transaction	Amount of Assistance (MUSD)	Outstanding Debt (MUSD)	Guarantee fee (Percent)
The Company	MML	16 September 2021	2.77	1.51	0.50
The Company	MML	21 September 2023	3.00	-	0.50
The Company	MML	21 September 2023	5.95	5.95	1.00
The Company	MML Group	Depends on approval from the Annual Shareholders Meeting 2024.	51.74	-	1.00
Total			63.44	7.46	

- List of Financial Assistance Provided in the Form of Loans

Lender	Borrower	Transaction	Amount of Assistance (MUSD)	Outstanding Debt (MUSD)	Interest rate (Percent)	Repayment Date
The Company	MML	27 December 2021	5.00	5.00	7.00	Last business day of March 2025 ^{1/}
The Company	MML	16 December 2022	4.00	4.00	7.00	On call But within 12 months ^{1/}
The Company	MML	10 February 2023	7.50	7.50	7.00	On call But within 24 months ^{1/}
The Company	MML	27 April 2023	12.50	12.50	7.00	Last business day of December 2025 ^{1/}
The Company	MML	25 September 2023	5.00	5.00	7.00	Last business day of September 2025
The Company	MML	29 November 2023	5.00	35.00	7.00	Last business day of March 2025
Total			84.00	69.00		

Note: 1/ The Company has informed MML that it has received an extension of the debt repayment period until 31 March 2025 due to MML's liquidity situation.



According to the company's interview, currently, the MML group is experiencing improved operational performance due to consistently increased offshore service contracts. Therefore, there is a necessity to utilize capital for liquidity and further investment in these businesses. Consequently, the company has requested assistance. Historically, the MML group has no record of defaulting on interest or principal payments to the company. However, with this transaction, MML expects an initial profit margin of approximately 13.00% to 24.00% of the project value, estimated at USD 49.71 million to USD 91.78 million or approximately THB 1,794.40 million to 3,312.74 million. This is anticipated to enhance the operational performance of MML and reduce its accumulated losses, thereby improving MML's liquidity and repayment capacity to the company. Furthermore, it is expected to enable dividends to be paid to the company in the future.

As of 31 December 2023, the Debt to Equity Ratio (D/E) of MML stands at 1.09. In the worst-case scenario where MML is called upon to indemnify all guarantees, totaling USD 59.20 million or approximately THB 2,136.88 million (comprising the company's guarantee debt of USD 7.46 million and the transaction of USD 51.74 million), MML may need to borrow funds from the company or financial institutions to fulfill these obligations. Consequently, the D/E ratio of MML could increase to 1.43, which still allows compliance with the long-term loan conditions set by the company and financial institutions, stipulating that the D/E ratio does not exceed 2.00. Moreover, considering the adequacy of financial assistance provided by the company to MML in the worst-case scenario, where the total guarantee indemnification amounts to USD 59.20 million or approximately THB 2,136.88 million, the company has sufficient cash and cash equivalents amounting to THB 2,713.31 million and other financial assets worth THB 964.03 million, as per the company's financial statements as of 31 December 2023. This indicates that the company is adequately positioned to provide financial assistance to MML.



3.3 Appropriateness of the conditions for entering into the transaction

The IFA has considered the rationale for the terms of the transaction, specifically the provision of financial assistance in the form of a guarantee facility of up to USD 51.74 million or approximately THB 1,867.60 million. The key conditions and considerations in the financial advisor's opinion regarding the terms are as follows:

Table of the key conditions and opinions of the IFA

Key condition	Details	Opinions of the IFA
Loan amount	USD 51,740,000 million	<u>It is appropriate, with details as outlined in section 3.1: Objectives and Necessity of the Transaction.</u>
Purpose of this transaction	To act as a corporate guarantor for revolving credit facilities in the form of L/G Performance Bonds (specifically) provided to financial institutions.	
Interest rate	One percent per annum.	<u>It is appropriate</u> because the company will receive compensation in the form of a guarantee fee of one percent per annum, amounting to a maximum value of USD 0.52 million per year or approximately THB 18.68 million per year. Previously, the company has collected fees from subsidiaries ranging from 0.50 to 1.00 percent, which is the maximum rate the company charges its subsidiaries, aligning with the same range as the commercial bank guarantee fees that the company group has previously received, ranging from 1.00 to 1.55 percent.
Collateral	None	<u>It is inappropriate</u> because the collateral serves as a secondary source of debt repayment. If MML fails to comply with or undertake any actions beyond the terms of the contract with the project owner, the company must indemnify damages up to the maximum amount guaranteed with the financial institution. The amount of indemnification will be based on the remaining project value or the guaranteed amount, whichever is lower. Despite MML securing approval from the financial institution with collateral in the form of two vessels valued between USD 118.00 million to USD 128.00 million, which exceeds the guaranteed amount, the fact that the company holds 58.22 percent of MML's issued shares grants it significant control over MML's voting rights, allowing it to understand MML's status and track factors that could pose risks if MML fails to adhere to the contract terms. Moreover, the financial consultant has analyzed the risk of expense reimbursement from project guarantee and



Key condition	Details	Opinions of the IFA
		<u>details are outlined under section 3.5.2, Post-Transaction Risk Analysis.</u>
Other condition	In the event that the financial institution calls upon the company to make payment according to the amount paid by the financial institution to the project owner, the company will send a notice to the MML group to settle the said amount along with related expenses within the specified period. In case the MML group fails to make the payment by the due date, interest will be charged at an annual rate of 9.00%, calculated from the date the payment is due until the full amount is paid.	<u>It is appropriate</u> due to the interest rate of 9.00% per annum is reflects the default interest rate specified in the loan agreement between TTA and its subsidiary.
Conditions that may affect the rights of shareholders	None	<u>It is appropriate</u> because the shareholders of the company will not be affected by the financial assistance provided to the MML group.

Remark: 1/ USD 1: THB 36.0959, reference to foreign exchange rate announced by the Bank of Thailand as of 29 February 2024



3.4 Advantages and disadvantages for entering into the transaction

3.4.1 Advantages for entering into the transaction

1) The company received fees for acting as a guarantor for the MML group.

Entering into this transaction of financial assistance to MML group. The company received a total fee of USD 51.74 million, or approximately THB 1,867.60 million, for providing financial assistance in the form of guarantees to the MML group. The fee rate was 1.00% per annum, Representing in the total fee over the contract period of USD 1.39 million or approximately THB 50.04 million.

These guarantee fees for the MML group were based on rates ranging from 0.50% to 1.00% per annum, consistent with the rates charged for guarantee services provided to the MML group in the past. These rates also fall within the same range as the guarantee fees charged by commercial banks to the company, ranging from 0.50% to 1.55% per annum.

2) The company will receive increased returns from the MML group.

The MML group is executing contracts with a leading company in exploration and petroleum production for 5 major projects with a total project value of USD 382.40 million USD, or approximately THB 13,803.07 million. The MML group anticipates initial profits ranging from 13.00% to 24.00%, equivalent to USD 49.71 million to USD 91.78 million, or approximately THB 1,794.40 million to 3,312.74 million. Financial assistance provided to the MML group will facilitate smooth operations, enabling timely project delivery to clients. This will enhance MML's financial performance, strengthening its financial position to repay loans from TTA and reduce accumulated losses. It is anticipated that this will enable MML to distribute dividends to shareholders in the future. Additionally, this will contribute to an increase in the company's overall revenue and net profit.

3) Assisting in expanding service offerings in this business in the future will enhance opportunities for growth and reputation building for the MML group.

Assisting MML in financial transactions will facilitate smooth execution of existing contracts with clients, enabling timely delivery of services and revenue realization as per the MML group's plans. Moreover, this will open up opportunities for MML to expand its services in this industry to other promising areas within the Gulf of Thailand and elsewhere in the future with leading exploration and production companies. Leveraging its track record and success in subsea inspection, repair, and maintenance (Subsea-IRM), Cable Laying, decommissioning T&I, and subsea transportation and installation work, MML can enhance its potential for sustainable business expansion and steady revenue growth. Consequently, this will contribute to increased overall revenue for the company.



3.4.2 Disadvantages for entering into the transaction

- 1) The Company will incur increased liabilities in its subsidiary, even though it is merely acting as a guarantor for project contracts.

Entering into this transaction, The MML group will incur increased liabilities because it needs to use financial guarantees from financial institutions as collateral for fulfilling the contracts of each project. Consequently, the MML group has sought credit facilities from financial institutions, resulting in increased debt burden.

However, it's important to note that the nature of this funding is for guaranteeing the performance of each project contract. In other words, the MML group will only experience cash outflows when it fails to fulfill or perform any activities beyond the terms of the contract with the project owner. Based on the experience and quality of service provided by the MML group, which has consistently delivered projects to clients according to contractual obligations, it is believed that the MML group will be able to fulfill the contracts and deliver the projects within the specified timeframes.



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

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

1) The company received fees for acting as a guarantor for the MML group.

The transaction providing financial assistance in the form of guarantees to the MML group amounted to a total of USD 51.74 million or approximately THB 1,867.60 million. The fee rate is 1.00% per annum, resulting in a total fee value over the contract period of USD 1.39 million or approximately THB 50.04 million.

The guarantee fee rate provided to the MML group is based on historical rates ranging from 0.50% to 1.00% per annum, consistent with the rates for guarantee fees offered by commercial banks to the company group, which ranged from 0.50% to 1.55% per annum.

2) The company will receive increased returns from the MML Group.

The MML group is executing contracts from a leading company in the exploration and production of petroleum, totaling 5 projects with a combined value of USD 382.40 million or approximately THB 13,803.07 million. The MML group anticipates an initial profit margin ranging from 13.00% to 24.00%, equivalent to USD 49.71 - 91.78 million or approximately THB 1,794.40 - 3,312.74 million. Providing financial assistance to the MML group will facilitate smooth project execution, timely delivery to the client, and enhance both revenue and net profit for MML. This financial support will also strengthen MML's financial position, enabling them to repay loans from TTA and reduce accumulated losses. It is expected that this will enable MML to distribute dividends to shareholders in the future, further improving the overall financial performance of the company.

3) Providing assistance increases the opportunities for expanding service offerings in this business in the future and enhances the reputation of the MML group.

This transaction to provide financial assistance to the MML group will enable MML to execute contracts smoothly with their clients, delivering projects and realizing revenue according to their plans. Furthermore, it presents MML with opportunities to expand its services in various other areas within the Gulf of Thailand, totaling more than 22 locations, and in other future areas with leading petroleum exploration and production companies. By leveraging their track record and success in subsea inspection, repair, and maintenance (Subsea-IRM), cable laying, and decommissioning, transportation, and installation (Decommissioning T&I) projects for prominent clients, MML can establish itself as a sustainable business with stable revenue. This will consequently lead to an increase in the overall financial performance of the company.



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

- 1) The company will incur additional liabilities in its subsidiary, even though it's merely acting as a guarantor for the project contract.

The MML group will incur increased liabilities because it needs to obtain bank guarantees from financial institutions to use as collateral for fulfilling the project contracts. Consequently, the MML group has sought credit from financial institutions, resulting in increased liabilities.

However, it's important to note that the nature of this financing is for guaranteeing the performance of the project contracts. In other words, the MML group will only incur cash outflows if it fails to fulfill or perform any obligations beyond the terms of the contract with the project owner. Based on the MML group's track record and the quality of its service provision, which has been consistently high, it is believed that the MML group will be able to fulfill its contractual obligations and deliver the projects within the agreed-upon timeframe.

3.6 Risk of Entering into the Transaction

3.6.1 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 to enter into 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.

3.6.2 Risk after entering into the transaction

- 1) The risk that the company faces cash flow risks if the MML group undertakes any actions that deviate from or go beyond the terms of the contract with the project owner, resulting in damage to the project. Additionally, there is a risk of full or partial call on guarantees if the MML group fails to comply with the terms of the contract.

Since the financial assistance is provided in the form of a guarantee from a financial institution to the MML group, the defined scope of the Letter of Guarantee (Performance Bond : L/G Performance Bond) is as follows: The performance bond serves as security that the MML group will fulfill the terms of the contract with the project owner upon signing the agreement. It operates as a guarantee according to the terms of the project contract. If the MML group undertakes any actions that deviate from or go beyond the contract terms, the project owner has the right to claim compensation from



the financial institution providing the guarantee, up to the maximum amount guaranteed. The value of the compensation will be determined based on the remaining value of the incomplete work, the amount of damage incurred, or the guaranteed amount, whichever is lower.

The MML group has been contracted by a leading company in the field of exploration and large-scale petroleum production for 5 projects. They are required to issue a Letter of Guarantee in the form of a Performance Bond (L/G Performance Bond) with a total value of USD 51.74 million or approximately THB 1,867.60 million (1 US dollar: THB 36.0959, based on the foreign exchange rate announced by the Bank of Thailand on 29 February 2024). The details of the guarantee letter are as follows:

- Letter of Guarantee for Installation and Decommissioning Project of Offshore Oil Rig in the Gulf of Thailand, valued at USD 40.50 million or approximately THB 1,461.88 million, with a project duration from the second quarter of 2024 to the fourth quarter of 2026.
- Letter of Guarantee for Subsea Inspection, Repair, and Maintenance (Subsea-IRM) Project in Qatar, valued at USD 2.50 million or approximately THB 90.24 million, with a project duration from the first quarter of 2024 to the fourth quarter of 2027.
- Letter of Guarantee for Subsea Inspection, Repair, and Maintenance (Subsea-IRM) Project in Saudi Arabia, valued at USD 2.00 million or approximately THB 72.19 million, with a project duration from the first quarter of 2024 to the fourth quarter of 2027.
- Letter of Guarantee for Cable Laying Project in Saudi Arabia, valued at USD 0.64 million or approximately THB 23.10 million, with a project duration from the second quarter of 2024 to the third quarter of 2027.
- Letter of Guarantee for Transportation and Installation of Subsea Cable (Cable Laying) Project in Saudi Arabia, valued at USD 6.10 million or approximately THB 220.18 million, with a project duration from the second quarter of 2024 to the third quarter of 2027.

In the event that the employer demands compensation from MML group for damages, with the maximum amount of damage occurring within the year 2024 and gradually decreasing as project milestones are delivered, mainly due to most projects ending in the fourth quarter of 2027, the maximum compensation value would be USD 51.74 million or approximately THB 1,867.60 million. The financial institution acting as the guarantor will promptly compensate the employer for the damages after verifying the various project



contract terms. Subsequently, the financial institution will contact MML Group to settle the debt according to the compensation value. If MML Group is unable to pay, the financial institution may have a process for debt repayment in stages, as follows:

- The financial institution will negotiate to restructure the debt with MML.
- If after the debt restructuring, MML group cannot repay the debt, the financial institution will proceed with the arbitration process to utilize the collateral mortgaged with the financial institution. However, two vessels, which serve as collateral mortgaged with the financial institution, have a total value ranging from USD 118.00 to 128.00 million or approximately THB 4,259.32 to 4,620.28 million. This value exceeds the value of the transaction in this instance, as assessed by M3 Marine Valuations Pte Ltd on 12 September 2023.
- The financial institution will initiate the arbitration process to call upon the guarantors to repay the debt, namely Mermaid Maritime Public Company Limited and Trinity Offshore Company Limited. This process depends on the arbitration proceedings to determine the repayment terms for each guarantor.

Upon inquiry with the financial institution, it was found that MML Group is a comprehensive offshore service provider with specialized expertise. Based on past experiences and the quality of service provided by MML Group, they are capable of delivering work as per the client's requirements. Historically, MML Group has had a good credit history and has never had any claims against their Letters of Guarantee (L/G). Therefore, it is believed that MML Group can fulfill the contract conditions.

However, considering the worst-case financial impact on MML group and the company, where MML Group is unable to fulfill the contract and has to borrow money from the company to compensate for the damages, the maximum financial impact would be USD 51.74 million or approximately THB 1,867.60 million. The financial implications for MML Group and the company are as follows:

- **The financial impact on MML Group** will result in an increase in the Debt-to-Equity (D/E) ratio from the original 1.09 times to 1.43 times. However, this still allows MML Group to comply with the long-term loan conditions set by the financial institution, which specify that the D/E ratio should not exceed 2.00 times.
- **The financial impact on the company** indicates that the company has sufficient cash and cash equivalents amounting to THB 2,713.31 million, as well as other financial assets totaling



THB 964.03 million, based on the company's specific financial statements as of 31 December 2023. These financial resources are adequate to provide financial assistance to MML Group.



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. 02/2567 on 6 March 2024, it was deemed appropriate to propose at the annual shareholders' meeting for consideration and approval of financial assistance in the form of a guarantee facility not exceeding USD 51.74 million, or approximately THB 1,867.60 million (1 US dollar: THB 36.0959, based on the foreign exchange rate announced by the Bank of Thailand on 29 February 2024). This assistance is to be provided to the financial institution that issued the financial guarantee in the form of a performance bond to Mermaid Maritime Public Company Limited (“MML”) and/or its subsidiaries (“MML Group”). These companies are registered on the Singapore Stock Exchange and are subsidiaries in which the company holds 58.22 percent of the issued and outstanding shares.

The reason for requesting financial assistance in the form of a guarantee facility is that the MML Group has been contracted by a leading exploration and production company for 5 projects. The terms stipulate that the MML Group must obtain a performance bond in the form of a Letter of Guarantee (L/G Performance Bond) from a financial institution to serve as collateral for fulfilling the contracts of each project, equivalent to 10.00 – 15.00 percent of the project value. Therefore, the MML Group applied for a credit facility in the form of a performance bond with a financial institution in Thailand, which was approved on 20 February 2024. One condition of the approval is that the company must be the full guarantor, and the company will sign the guarantee agreement with the MML Group after approval at the annual shareholders' meeting for the fiscal year 2024.

IFA consider that it has been deemed reasonable to proceed with the financial assistance transaction in the form of a guarantee. Upon reviewing the rationale and necessity, as well as the conditions of the guarantee agreement between the company and the MML Group, it was found that the project owner has stipulated conditions requiring the MML Group to obtain a performance bond issued by a financial institution to serve as collateral for fulfilling the contracts of each project. According to interviews with the MML Group, projects sourced from major exploration and production companies or high-value projects typically involve conditions where the service provider must obtain a performance bond issued by a financial institution to guarantee project execution, which is considered a standard practice in the industry.

Additionally, the MML Group anticipates initial profits ranging from 13.00 – 24.00 percent of the project value, translating to initial profit values of approximately USD 49.71 – 91.78 million or THB 1,794.40 - 3,312.74 million. For this transaction, the company will receive a fee of 1.00 percent per annum, with the maximum fee amounting to USD 0.52 million per annum or approximately THB 18.68 million per annum.



Although this financial assistance transaction does not have collateral, the approved loan amount received by the MML Group from the financial institution is secured by two ships valued between USD 118.00 – 128.00 million or approximately THB 4,259.32 – 4,620.28 million. This collateral value exceeds the guaranteed amount, and no conditions have been set that may impact the company's shareholders.

However, the company holds a 58.22% stake in MML, meaning it has control over voting rights exceeding 50.00% and controls the majority of votes at MML's shareholder meetings. This enables the company to be aware of MML's status and monitor factors that may pose risks to MML. Consequently, the company can ensure that MML complies with the terms of the contract with the project owner and refrains from undertaking any actions beyond the contract's conditions.

Furthermore, the aforementioned transaction is a form of financial assistance in the form of guaranteeing a credit line to MML, which is essential for carrying out projects such as decommissioning T&I, Cable Laying, and subsea-IRM projects according to the signed contracts with clients. This ensures smooth project execution, timely delivery to clients, and revenue realization as per MML's business plan. Consequently, this will lead to increased revenue and net profit for MML, enhancing its ability to repay loans. This, in turn, will improve the overall financial position of the company, and it is anticipated that MML will be able to distribute dividends to the company in the future.

Therefore, the Independent Financial Advisor has an opinion that the shareholders should consider approving the provision of financial assistance in the form of guaranteeing a credit line to MML, totaling USD 51.74 million or approximately THB 1,867.60 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.

(Mr. Sornchai Wattanasukchai)

Supervisor

(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

Company Name	Thoresen Thai Agencies Public Company Limited		
Address	Orakan Building, 26/26-27 Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330		
Business Type	Investment Holding with 5 core business groups such as shipping, offshore service, agrochemical, food & beverage and investment		
Registration No.	0107548000064		
Website	http://www.thoresen.com		
Issued Capital	THB 1,998,446,888.00		
Paid-up Capital	THB 1,822,464,564.00		
Directors	Rank	Name	Position
	1	Mr. Prasert Bunsumpun	Chairman of the Board, Non-Executive Director, Chairman of Executive Committee
	2	Mr. Chalermchai Mahagitsiri	Executive Director, President and Chief Executive Officer, Member of Executive Committee, Chairman of Investment Committee
	3	Mr. Jean Paul Thevenin	Non-Executive Director, Member of Executive Committee, Member of Risk Management Committee, Member of Investment Committee, Member of Corporate Governance Committee
	4	Ms. Ausana Mahagitsiri	Executive Director, Deputy Chief Executive Officer, Member of Executive Committee, Member of Nomination and Remuneration Committee, Member of Corporate Governance Committee
	5	Mr. Kamolsut Dabbaransi	Executive Director Senior Executive Vice President, Head of Food & Beverage, Chairman of Sustainable Development Committee
	6	Mr. Somboonkiat Kasemsuwan	Independent Director, Chairman of Audit Committee
	7	Mr. Santi Bangor	Independent Director, Chairman of Nomination and Remuneration Committee, Chairman of Corporate Governance Committee, Member of Audit Committee
	8	Mr. Cherdpong Siriwit	Independent Director, Chairman of Risk Management Committee, Member of Audit Committee
	9	Dr. Chitrapongse Kwangsukstith	Independent Director
	10	Mr. Mohammed Rashed Ahmed M. Alnasri	Independent Director, Member of Nomination and Remuneration Committee
11	Mr. Somchai Chaisuparakul	Non-Executive Director	

Source: information from TTA as of 29 February 2024.



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 2023, 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"> 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. 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
2018	<ul style="list-style-type: none"> 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. 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. 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.
2019	<ul style="list-style-type: none"> 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 & Development Co., Ltd. (KRD) on 19 July 2019 to jointly develop real estate business on the land owned by PMT.
2020	<ul style="list-style-type: none"> The Company issued a senior unsecured domestic debentures with debenture holders' representative in the total amount of Baht 716 million.



Year	Important Event
	<ul style="list-style-type: none"> ■ Mermaid International Ventures (MIV), Mermaid's wholly-owned subsidiary, disposed all its shares in Asia Offshore Drilling (AOD) to Seadrill Ltd. in September 2020. ■ 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.
2021	<ul style="list-style-type: none"> ■ The Company issued a senior unsecured domestic debenture with debenture holders' representative in the total amount of Baht 1,500 million ■ The Company redeemed the Company's debentures No. 1/2018 in the amount of Baht 1,805 million according to the redemption schedule. ■ 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. ■ 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. ■ 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. ■ The Company established 100 percent owned subsidiary Thoresen FSO Co., Ltd. (TFSO) to provide floating storage and offloading.
2022	<ul style="list-style-type: none"> ■ The Company has established Trecent LPG Limited (TLPG), which is now renamed as Petrolift (Thailand) Company Limited (PTLT), holding 100% of the shares. The purpose is to engage in the business of transporting liquefied petroleum gas or cooking gas. ■ The Company has redeemed its debentures for the second time in 2018, amounting to THB 1,500 million, in accordance with the redemption schedule. ■ Mermaid Subsea Services (Thailand) Limited (MSST) has established Mermaid Decom Company Limited (MDCOM), holding 100% of the shares. The purpose is to engage in the business of decommissioning installations in both onshore and offshore exploration and production activities of petroleum. ■ The Company has established P80 Air Limited (P80A), holding 100% of the shares. The purpose is to engage in the airline business. ■ The Company has established P80 Jet Limited (P80J), holding 100% of the shares. The purpose is to engage in the business of leasing aircraft on a charter basis. ■ Thoresen Shipping Singapore PTE Ltd (TSS) has established Thoresen Shipping Dry Bulk DMCC (TSB), holding 100% of the shares. The purpose is to engage in the business of dry bulk cargo shipping.
2023	<ul style="list-style-type: none"> ■ V.V. Ventures Technologies Limited (VVT) has established V. Smart City (VSC) with a shareholding of 65.00% to engage in software consulting business. ■ Asia Infrastructure Management (Thailand) Limited (AIM) has established Asia Infrastructure (Cambodia) Limited (AIC) with a shareholding of 49.00% to engage in real estate business through self-owned or leased assets. ■ TTA has redeemed the debentures of the company's first series in 2563, totaling THB 716.2 million, as per the redemption schedule.



Year	Important Event
	<ul style="list-style-type: none"><li data-bbox="359 262 1380 331">▪ TTA has redeemed the debentures of the company's first series in 2564, totaling THB 1,500.00 million, as per the redemption schedule.<li data-bbox="359 344 995 374">▪ Pizza Hut has a total of 185 branches nationwide in Thailand.<li data-bbox="359 387 1011 416">▪ Taco Bell has a total of 25 branches in Bangkok and its vicinity.

Source: One Report of the Company



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 ^{1/, 2/}	277,679,159	15.24
2	Credit Suisse AG, Singapore Branch ^{1, 2/}	150,004,700	8.23
3	Ms. Ausana Mahagitsiri ^{2/}	99,866,937	5.48
4	Mr. Pipat Tiathawat	90,000,000	4.94
5	Mr. Prayudh Mahagitsiri ^{3/}	87,531,758	4.80
6	Thai NVDR Company Limited	78,944,943	4.33
7	South East Asia UK (Type C) Nominees Limited	52,137,578	2.86
8	Mrs. Suvimol Mahagitsiri	42,325,623	2.32
9	Mr. Prateep Tangmatitham	28,057,007	1.54
10	DBS Bank Ltd. AC DBS Nominees-PB Clients ^{3/}	22,620,700	1.24
11	Others	893,300,859	49.02
Total		1,822,464,564	100.00

Source: The Company's book of shareholder registration as of 31 January 2024.

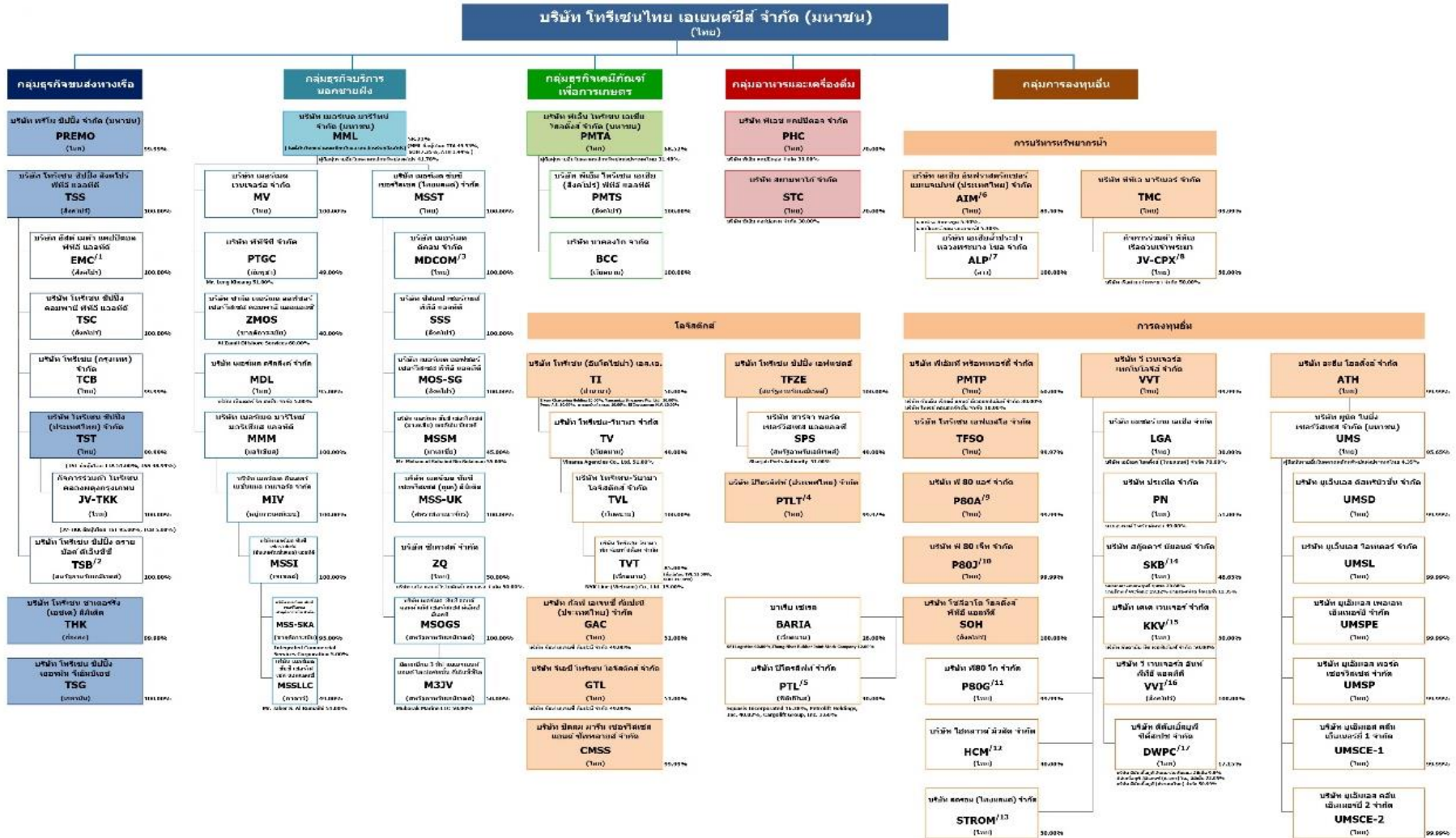
Remark: 1/ Mr. Chalermchai Mahagitsiri indirectly held 150,000,000 shares under a custodian account. The combined shares of Mr. Chalermchai Mahagitsiri both direct and indirect is totaling 427,679,159 shares or 23.47 percent of the total issued and paid-up shares of the Company.

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 110,152,458 shares or 6.04 percent of the total issued and paid-up shares of the Company.



4.1.4 Company structure of the Company



Source: Website of the Company



4.1.5 Business Overview of the Company

Thoresen Thai Agencies Public Company Limited or TTA is a strategically diversified investment company, engaging in a range of investments both domestically and internationally. It encompasses 5 business groups, as follows:

- 1. Shipping Group:** Shipping Group operates under the brand "Thoresen Shipping" and is a leading international dry cargo shipping service provider with a reputable history spanning over 110 years. The company offers cargo transportation services globally, handling both containerized and bulk dry cargo. The transported goods include commodities such as iron ore, coal, agricultural products, construction materials, and steel. In the year 2023, the group reported a revenue of THB 7,369.58 million and a net profit attributable to TTA of THB 1,528.42 million.
- 2. Offshore Services Group:** Offshore Services Group provides subsea engineering services such as surveying, repair, and subsea Inspection, Repair, and Maintenance (Subsea-IRM). MML is the main company within this group, in which TTA holds a 58.22 percent ownership stake. MML is a Thai company listed on the Singapore Stock Exchange (SGX). In the year 2023, this group generated a revenue of THB 9,628.56 million, resulting in a net profit attributable to TTA of THB 199.90 million.
- 3. Agrochemical Group:** Agrochemical Group is involved in the manufacturing and distribution of fertilizers primarily in Vietnam under the trademark "STORK," registered in Vietnam since 2005. The STORK brand is widely recognized and trusted for its quality. The main company in this business group is PM Thoresen Asia Holdings Company Limited. In the year 2023, this group generated a revenue of THB 3,778.82 million, resulting in a net profit attributable to TTA of THB 39.84 million.
- 4. Food & Beverage Group:** Food & Beverage Group manages 2 brands, Pizza Hut and Taco Bell. Pizza Hut: As of 31 December 2023, Pizza Hut had a total of 185 branches. Taco Bell: Taco Bell is a globally renowned semi-Mexican style food franchise from the United States. In the year 2023, Food & Beverage Group generated revenue of THB 2,073.81 million, resulting in a net loss attributable to TTA of THB 58.71 million.
- 5. Other Investments Group:** Other Investments Group comprises various businesses that do not fall within the 4 main business groups mentioned earlier. Examples include water resource management services and logistics businesses, including port services and warehouse operations. In the year 2023, this business group generated revenue of THB 1,124.75 million and incurred a net loss attributable to TTA of THB 492.53 million.



4.1.6 Revenue Structure of the Company

Revenue Structure	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Dividend income	1,632.31	77.95	5,999.97	95.26	3,058.55	84.67
Profit from exchange rate	126.14	6.02	26.12	0.41	-	-
The reversal of loss provisions from litigation	-	-	-	-	20.56	0.57
Interest income	129.60	6.19	241.10	3.83	495.35	13.71
Other income	205.89	9.83	31.37	0.50	37.64	1.04
Total revenue	2,093.94	100.00	6,298.55	100.00	3,612.11	100.00

Source: The Company's separate financial statements for 2021 - 2023.



4.1.7 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 2021 to 31 December 2023, the Company's financial performance can be summarized as follows;

➤ Separate Financial Statements

Statement of income (Unit: THB million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Total revenues	2,093.94	100.00	6,298.55	100.00	3,612.11	100.00
Profit before expenses	2,093.94	100.00	6,298.55	100.00	3,612.11	100.00
Selling and administrative expenses	(663.47)	(31.69)	(846.03)	(13.43)	(838.60)	(23.22)
Profit from operating activities	1,430.47	68.31	5,452.53	86.57	2,773.50	76.78
Finance costs	(217.96)	(10.41)	(234.07)	(3.72)	(350.91)	(9.71)
Profit (Loss) before income tax expenses	1,212.51	57.91	5,218.45	82.85	2,422.60	67.07
Tax expense (income)	(53.86)	(2.57)	60.26	0.96	86.11	2.38
Profit (loss) for the year	1,158.65	55.33	5,278.71	83.81	2,508.70	69.45

Source: The Company's separate financial statements for 2021 - 2023.

➤ Statement of Financial Position

Statement of financial position (Unit: THB million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Assets						
Cash and cash equivalents	2,999.04	9.00	3,263.17	8.89	2,713.31	6.74
Other current financial assets	2,630.32	7.89	1,213.69	3.31	964.03	2.39
Trade receivables	2.60	0.01	2.31	0.01	3.16	0.01
Receivables from related parties	235.77	0.71	453.65	1.24	787.65	1.96
Short-term loans to related parties	3,338.10	10.02	7,323.86	19.96	7,339.99	18.23
Current portion of long-term loans to related parties	150.00	0.45	124.00	0.34	365.44	0.91
Prepayments	6.88	0.02	7.86	0.02	5.74	0.01
Other current assets	16.84	0.05	14.54	0.04	16.19	0.04
Total current assets	9,379.54	28.15	12,403.07	33.80	12,186.52	30.27
Other non-current financial assets	-	-	-	-	978.13	2.43
Investment in associates	61.20	0.18	61.20	0.17	61.20	0.15
Investment in subsidiaries	23,276.40	69.85	23,520.01	64.09	23,805.92	59.14
Investment in joint ventures	467.30	1.40	467.30	1.27	467.30	1.16
Long-term loans to related parties	-	-	-	-	2,342.68	5.82



Statement of financial position (Unit: THB million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Property, plants, and equipment	127.23	0.38	124.94	0.34	145.57	0.36
Right-of-use assets	7.67	0.02	9.66	0.03	21.61	0.05
Intangible assets other than goodwill	0.34	0.00	43.71	0.12	43.43	0.11
Deferred tax assets	1.57	0.00	64.63	0.18	175.97	0.44
Other non-current assets	2.99	0.01	3.69	0.01	25.02	0.06
Total non-current assets	23,944.69	71.85	24,295.13	66.20	28,066.84	69.73
Total assets	33,324.24	100.00	36,698.20	100.00	40,253.36	100.00
Liabilities						
Bank overdrafts and short-term borrowings from financial institutions	-	-	-	-	-	-
Trade payables	1.74	0.01	-	-	-	-
Other current payables	5.21	0.02	5.85	0.02	5.95	0.01
Payables to related parties	2.57	0.01	2.57	0.01	-	-
Advanced from customers	0.42	0.00	0.53	0.00	0.58	0.00
Short-term borrowings from related parties	366.54	1.10	378.73	1.03	340.20	0.85
Current portion of debentures	1,499.82	4.50	2,209.30	6.02	-	-
Current portion of lease liabilities	0.30	0.00	1.53	0.00	9.08	0.02
Accrued expenses	131.03	0.39	101.36	0.28	134.56	0.33
Other current liabilities	5.40	0.02	4.29	0.01	3.55	0.01
Total current liabilities	2,013.02	6.04	2,704.16	7.37	493.92	1.23
Debenture	4,172.38	12.52	1,982.50	5.40	5,731.51	14.24
Lease liabilities	7.73	0.02	8.69	0.02	13.57	0.03
Deferred tax liabilities	-	-	-	-	-	-
Non-current provision for employee benefits	26.52	0.08	31.68	0.09	36.35	0.09
Other non-current liabilities	4,206.63	12.62	2,022.87	5.51	5,781.43	14.36
Total liabilities	6,219.65	18.66	4,727.04	12.88	6,275.35	15.59
Equity						
Authorized share capital	1,998.45	6.00	1,998.45	5.45	1,998.45	4.96
Issued and paid-up share capital	1,822.47	5.47	1,822.47	4.97	1,822.47	4.53
Share premium on ordinary shares	16,060.02	48.19	16,060.02	43.76	16,060.02	39.90
Appropriated retained earnings-Legal reserve	199.85	0.60	199.85	0.54	199.85	0.50
Unappropriated	8,989.97	26.98	13,867.75	37.79	15,975.53	39.69
Other components of equity	32.29	0.10	21.08	0.06	(79.85)	(0.20)
Total equity	27,104.59	81.34	31,971.16	87.12	33,978.01	84.41
Total liabilities and equity	33,324.24	100.00	36,698.20	100.00	40,253.38	100.00

Source: The Company's separate financial statements for 2021 - 2023.



➤ Statement of Cash Flows

Statement of cash flows (Unit: THB million)	31 December 2021	31 December 2022	31 December 2023
Cash flows from (used in) operating activities	(117.83)	(62.01)	(512.58)
Cash flows from (used in) investing activities	1,093.33	2,522.42	(821.40)
Cash flows from (used in) financing activities	1,423.70	(2,131.56)	810.71
Effect of exchange rate changes on balances held in foreign currencies	30.85	(64.71)	(26.59)
Net increase (decrease) in cash and cash equivalents	2,430.05	264.14	(549.86)
Cash and cash equivalents at 1 January	568.98	2,999.04	3,263.17
Cash and cash equivalents at 31 December	2,999.04	3,263.17	2,713.31

Source: The Company's separate financial statements for 2021 - 2023.

➤ Key Financial Ratios

Table of Key financial ratios for the year 2021 - 2023.

		Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
LIQUIDITY RATIO				
Current ratio	times	4.66	4.59	24.67
Quick ratio	times	1.61	1.38	7.09
Cash flow liquidity ratio	times	0.05	0.03	0.32
Receivable turnover	times	9.90	18.14	5.79
Collection period	days	36.87	20.12	62.99
Account payable turnover	times	79.29	94.36	116.78
Payment period	days	4.60	3.87	3.13
PROFITABILITY RATIO				
Gross profit margin	percent	68.31	86.57	76.78
Net profit margin	percent	55.33	83.81	69.45
Return on equity	percent	5.39	18.46	8.41
EFFICIENCY RATIO				
Return on total assets	percent	4.46	15.57	7.21
Return on fixed assets	percent	10.25	34.90	14.51
Asset turnover	times	0.07	0.18	0.09
FINANCIAL POLICY RATIO				
Debt to equity ratio	times	0.23	0.15	0.18
Interest coverage ratio	times	6.62	23.38	8.04
Interest-bearing debt to EBITDA ratio	times	4.19	0.84	2.16
Interest-bearing debt to equity ratio	times	0.22	0.14	0.18
Net interest-bearing debt to equity ratio (Financial covenant from issuing debenture)	times	0.02	0.00	0.07
Debt service coverage ratio	times	0.77	2.11	8.08
Dividend payout ratio	Percent	0.35	0.08	0.00



		Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
PER SHARE				
Par value per share	Baht	1.00	1.00	1.00
Book value per share	Baht	14.87	17.54	18.64
Earnings per share	Baht	0.64	2.90	1.38
Dividend per share	Baht	0.22	0.22	0.18
GROWTH RATE				
Operating revenues	percent	2.83	2.01	(0.43)
Operating expenses	percent	0.78	0.28	(0.01)
Net income	percent	15.32	3.56	(0.52)
Total assets	percent	0.08	0.10	0.10
Total liabilities	percent	0.30	(0.24)	0.33



Management Discussion and Analysis

Performance

Total revenue

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.

In 2023, the company's total revenue is equal to THB 3,612.11 million, decrease in the amount of THB 2,686.45 million, or a decrease of 42.65% from 2022 when the total revenue was 6,298.55 million baht. The main reason for this decrease was the decline in dividend income from the shipping business, as operational profits decreased significantly. This decline was due to adjustments in vessel valuation, which decreased significantly compared to the extraordinary vessel valuation in 2022. Moreover, vessel valuation was higher than the net Supramax vessel rate of USD 10,678 per day by 27.00%. However, operational expenses (OPEX) increased by 10.00% to USD 4,258.00 per day but remained lower than the industry average of USD 5,052.00 per day by 16.00%

Profit margin ratio from operation

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.

In 2023, the Company's gross profit from operation is equal to THB 2,773.50 million, equivalent to gross profit margin of 76.78%. This marked a decrease of THB 2,679.02 million compared to 2022 when the operating profit was THB 5,425.53 million, or an operating profit margin of 86.57%. The decrease was primarily due to a decrease in dividend income from joint ventures and associates amounting to THB 2,941.41 million, stemming from the reduced operational performance of the shipping business. This reduction was a result of adjustments in vessel valuation.

Net profit margin

In 2022, the company recorded a net profit of THB 5,278.71 million, representing a net profit margin of 83.81%. This marked an increase of THB 4,120.06 million compared to 2021 when the net profit was THB



1,158.65 million, or a net profit margin of 55.33%. The improved performance was attributed to better operational results from the shipping business and the offshore service business segment.

In 2023, the company recorded a net profit of THB 2,508.70 million, representing a net profit margin of 69.45%. This marked a decrease of THB 2,770.01 million compared to 2022 when the net profit was THB 5,278.71 million, or a net profit margin of 83.81%. The decrease was attributed to the reduced operational performance of the shipping business due to adjustments in vessel valuation.

Financial position

Assets

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.

As of 31 December 2023, the company's total assets is THB 40,253.36 million, increasing by THB 3,555.16 million from the total assets as of 31 December 2022, which stood at THB 36,698.20 million. The primary reason for this increase was the long-term loans provided to related businesses, amounting to THB 2,342.68 million. Additionally, there was an increase in non-current financial assets of THB 978.13 million.

Liabilities

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.

As of 31 December 2023, the company's total liabilities is equal to THB 6,275.35 million, an increasing of THB 1,548.31 million from the total liabilities as of 31 December 2022, which stood at THB 4,727.04 million. The main reason for the increase in liabilities came from additional debentures issued in January 2023, namely TTA260A debentures amounting to THB 1,698.10 million and TTA281A debentures amounting to THB 2,074.40 million. These debentures are due in October 2026 and January 2028, respectively. For investment purposes and/or to use as working capital in the company's operations, including repayment of loans/debentures due in March and September 2023.



Equity

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.

As of 31 December 2023, the company's shareholders' equity amounted to THB 33,978.01 million, an increase of THB 2,006.84 million from the shareholders' equity as of 31 December 2022, which was THB 31,971.16 million. The main reason for the increase in shareholders' equity came from dividends paid to the company's shareholders totaling THB 400.93 million.

Liquidity analysis

Cash flow from operating activities

In 2021, the company had a net cash flow used in operating activities of THB 117.83 million. The cash flow used in operations before changes in operating assets and liabilities amounted to THB 136.79 million, primarily due to accounts receivable from related parties totaling THB 53.36 million. However, the company received cash from overdue payables amounting to THB 80.47 million.

In 2022, the company had a net cash flow used in operating activities of THB 86.71 million. The cash flow used in operations before changes in operating assets and liabilities amounted to THB 65.47 million, primarily due to accounts receivable from related parties totaling THB 217.88 million. However, the company received cash from other current assets amounting to THB 218.40 million.

In 2023, the company had a net cash flow used in operating activities of THB 512.58 million. The cash flow used in operations before changes in operating assets and liabilities amounted to THB 488.86 million, primarily due to accounts receivable from related parties totaling THB 334.00 million. However, the company received cash from other current assets amounting to THB 336.88 million.

Cash flow from investing activities

In 2021, the company had a net cash flow from investing activities of THB 1,093.33 million, primarily from dividends received from subsidiaries, associates, and joint ventures amounting to THB 1,217.88 million. However, the company had a net cash outflow for other non-current financial assets of THB 170.51 million.

In 2022, the company had a net cash flow from investing activities of THB 2,522.42 million, primarily from dividends received from subsidiaries, associates, and joint ventures amounting to THB 5,991.40 million. However, the company had cash outflows from short-term loans provided to related businesses amounting to THB 4,158.31 million.

In 2023, the company had a net cash flow used in investing activities of THB 821.40 million, primarily from cash paid for long-term loans to related businesses amounting to THB 1,789.35 million. Cash paid for other



non-current financial assets amounted to THB 1,157.56 million, and net cash paid for short-term loans to related businesses amounted to THB 888.04 million. However, the company had dividends received from subsidiaries, associates, and joint ventures amounting to THB 3,015.29 million.

Cash flow from financing activities

In 2021, the company had a net cash inflow from financing activities of THB 1,423.70 million, resulting from cash received from issuing bonds amounting to THB 3,454.59 million. However, the company repaid bonds amounting to 1,805.20 million Baht and incurred financial costs amounting to THB 186.99 million.

In 2022, the company had a net cash outflow from financing activities of THB 2,131.56 million Baht, resulting from the repayment of bonds amounting to THB 1,500.00 million and payment of dividends to shareholders amounting to THB 400.93 million. Additionally, financial costs amounted to THB 228.36 million.

In 2023, the company had a net cash inflow from financing activities of THB 810.71 million Baht, resulting from the repayment of bonds amounting to THB 2,216.20 million and payment of dividends to shareholders amounting to THB 400.93 million. Additionally, financial costs amounted to THB 294.83 million.

Net cash and cash equivalent increase (decrease)

In the year 2023, the company experienced a net decrease in cash and cash equivalents of THB 549.86 million. This reduction in cash and cash equivalents until 31 December 2023, resulted in the company having THB 3,263.17 million remaining at the end of the year. This reduction was influenced by the company receiving dividends from subsidiaries, joint ventures, and associates amounting to THB 3,015.29 million, as well as receiving cash from issuing debentures amounting to THB 3,734.33 million. However, the company repaid debentures totaling THB 2,216.20 million and paid cash for lease liabilities amounting to THB 11,266.00 million.



4.1.8 Industry and overview and outlook

1. Shipping Group

In 2024, the dry cargo shipping market saw a decrease compared to 2023, with the Baltic Dry Index (BDI) dropping from 1,934 points in 2023 to 1,381 points in 2024. The overall market condition remained moderate, impacted by fluctuations in demand and the Russia-Ukraine war, along with China's real estate sector slowdown. These factors continued to weaken the market conditions in the current year, including constraints on vessel performance and the presence of idle ship tonnage.

In 2025, according to data from Clarksons, the trend in the dry cargo shipping market remains moderate, with expectations for gradual improvement. The industrial sector is projected to grow by 1.5%, influenced by uncertainties that persist in the industrial sector, market fluctuations, and global economic risks. Additionally, uncertainties in China's dry cargo shipping sector, challenges in real estate, and sensitivity to China's government policies pose risks. Meanwhile, the shipbuilding sector has seen a slight adjustment of around 2.3%, despite limitations in new vessel deliveries, vessel separation or scrapping, slowing vessel speed adjustments, and increased installation of EST equipment due to environmental regulations. However, some positive factors continue to impact the market, with the possibility of market repercussions due to recent events in the Panama Canal and the Red Sea. The constraints on cargo transportation through the Panama Canal are expected to drive some trade measures (particularly U.S. grain exports to Asia) towards alternative routes. The situations in the Red Sea and the Gulf of Aden also require close monitoring, with changes in trade routes expected to support positive factors in maritime transportation (ton-miles).

2. Offshore Services Group

In 2024, the subsea market in the Central and East Africa region is expected to grow significantly, with a robust Compound Annual Growth Rate (CAGR) of 23.40% between 2023 and 2030. Similarly, the subsea market in the Asia-Pacific region is anticipated to grow substantially to \$26.14 billion by 2030, with a CAGR of 18.70% until 2030. Meanwhile, the subsea market in Europe is projected to have a CAGR of 8.70% by 2030. Saudi Arabia plans to invest approximately \$557 billion in various projects along the eastern coastline by 2027. Additionally, Qatar, with 18 projects under development in the oil and gas sector, estimates a Capital Expenditure (CAPEX) of around \$60.20 billion to enhance its status as a leading exporter of Liquefied Natural Gas (LNG) globally. In the United Kingdom, the ability to expand into existing markets alongside new entrants and increased competition is anticipated. Moreover, the expenditure on Plug and Abandonment (P&A) activities is projected to exceed \$20.00 billion annually by 2030 (150 - 200 wells per year), driven by expectations of significant increases in Operating Expenditure (OPEX) and Capital Expenditure (CAPEX) in the medium term, reflecting emerging market trends.



It is expected that the oil and gas industry will move forward into 2025 with the strongest balance sheets in history, along with consistent capital discipline. These factors will help companies navigate through the challenges of lower energy investment seen in recent years and accelerate the energy transition. Currently, the industry prioritizes capital allocation and focuses on generating cash flow and paying dividends, while free cash flow is expected to increase. However, all eyes are now on hydrocarbon energy companies to see if they will continue to provide shareholder returns or increase investment rates in hydrogen carbon businesses. They are also under pressure to expedite the procurement of affordable energy options to provide alternatives to consumers worldwide.

3. Agrochemical Group

The demand for and production of chemical fertilizers in the global market has increased due to the rising demand for food worldwide, amidst the decreasing arable land caused by urbanization and industrialization. This has led to an increased need for chemical fertilizers to boost agricultural yields. However, following the COVID-19 pandemic, many countries are seeking to secure food security by expanding arable land and stockpiling fertilizers for domestic use.

Factors supporting the growth of the fertilizer industry include the development of new innovations and the increasing population growth rates. However, various government regulations and constraints related to weather and environmental conditions, as well as rising production costs, may negatively impact the fertilizer industry.

The largest fertilizer market in the world is the Asia-Pacific region, which holds a market share of over 50.00%. Within the Asia-Pacific region, East Asia serves as a significant customer base, with China being the largest customer, accounting for more than half of the fertilizer demand in the entire East Asia region.

In this regard, large companies dominate a significant portion of the market share in the fertilizer industry, while small companies hold a smaller market share. Generally, the chemical fertilizer industry relies heavily on raw materials, which account for about 80% of production costs. These raw materials, such as urea, diammonium phosphate (DAP), and potassium chloride, typically need to be imported from foreign countries. The remaining costs are attributed to energy and transportation expenses. Therefore, the fertilizer industry's costs are influenced by global fertilizer prices and currency fluctuations.

For the fertilizer industry in Vietnam, despite facing challenges related to weather conditions, it remains a promising market due to its predominantly agricultural workforce. The growth of the chemical fertilizer industry depends on price recovery and production in key crops, as well as



sufficient water supply. Some areas face the risk of drought, and fluctuations in raw material prices also impact the industry's dynamics and direction.

4. Food and Beverage Group

PHC has assessed that the food and beverage industry still has continuous growth opportunities, particularly in the pizza segment. The market for pizza hut is expanding as it has not yet opened branches in certain areas with potential. Additionally, there are opportunities to reach new consumer groups.

The market forecast for the pizza industry in 2024 still holds growth potential due to the COVID-19 situation easing and the Thai economy showing continuous signs of recovery, with an expected annual growth rate of 4.00% according to the Bank of Thailand. Moreover, the increasing number of international tourists and overall private consumption trends are continuously recovering.

However, competition in the market is intensifying from both Quick Service Restaurants and other small pizza outlets, which are increasing in number. There is also more marketing activity and diverse food offerings to consumers. This heightened competition drives businesses to develop high-quality service and new innovations to attract and retain customers in this rapidly changing market landscape.

For STC, While Thailand's economic expansion in 2024 was lower than anticipated, particularly in the tourism sector, which affected the company's international customers and tourists, it is expected that the Thai economy will expand by approximately 3.00-3.50% in 2024 (source: Bank of Thailand). The company anticipates an increase in the number of tourists and overall private consumption, indicating a continuous recovery trend, which positively impacts revenue and company expansion.

Looking ahead, the company expects consumers to increasingly prioritize sustainability. Services such as food delivery and technology-driven services like Kiosk, Mobile Ordering, and Click and Collect are expected to continue growing. Additionally, in the Quick Service Restaurant (QSR) market, there is a trend towards alternative protein options and non-animal protein sources.

5. Other Investment Group

Coal Business

In 2566, coal remained a significant energy source for Thailand's industrial sector, especially in countries experiencing economic expansion like Vietnam and India. Coal is favored for its lower cost compared to natural gas and fuel oil. However, domestic coal demand in Thailand showed a



decrease in imports during the first 11 months of 2566, with imports decreasing by approximately 16.76% in volume compared to the same period in 2565. In terms of import value, there was a reduction of about 34.90% due to the lower prices of high-quality coal used for electricity generation and various industries.

Water Resource Management

The competition in the water management business, including reducing water loss and installing water production and distribution systems, has intensified. The duration of projects ranges from less than 1 year to 3 years, leading to increased bidding competition to secure contracts that are nearing expiration. Private companies and local government agencies are playing a more active role and participating more in bidding to compete for market share. Currently, the Provincial Waterworks Authority (PWA) and the Metropolitan Waterworks Authority (MWA) have shifted to using E-Bidding systems, making the bidding process easier and opening opportunities for new investors. Competitors have improved their internal processes, intensifying competition in the industry. There is a possibility that general agencies may submit bids to win contracts at the lowest possible cost to beat their competitors. Therefore, for companies to compete effectively in this industry, they must enhance operational efficiency through cost-effective management strategies, achieve initial profits as targeted, and expand their services comprehensively. This ensures that AIM remains a true leader in water and energy management under the increasingly intense competitive landscape.



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

4.2.1 General information of MML

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

Source: information from MML as of 29 February 2024

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 10 August 2023. 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	700,000,000	49.53
2	Raffles Nominees (Pte.) Ltd.	141,108,903	9.98
3	Soleado Holding PTE. LTD. ^{1/}	86,347,393	6.11
4	DBS Nominees Pte. Ltd.	72,040,647	5.10
5	Citibank Noms Spore Pte. Ltd.	66,878,761	4.73
6	BNP Paribas Noms Spore Pte. Ltd.	25,328,400	1.79
7	Athene Holdings Ltd. ^{1/}	20,798,420	1.47
8	Phillip Securities Pte. Ltd.	20,710,300	1.47
9	DBS Vickers Securities (s) Pte. Ltd.	16,904,346	1.20
10	UOB Kay Hian Pte. Ltd.	15,206,400	1.08
11	Others	248,005,287	17.55
Total		1,413,328,857	100.00

Source: MML as of 29 December 2023

Note: 1/ TTA holds an equivalent number of shares directly through its subsidiaries, namely SOH (Soleado Holdings Pte Ltd.).

SOH holds 86,347,393 shares (6.11%) and also holds 15,762,200 shares (1.12%) held through a custodian bank.

And TTA holds ordinary shares registered in MML through ATH (Athene Holdings CO., Ltd.), totaling 20,798,420 shares (1.47%).



List of major shareholders and distributions of direct and indirect related parties of MML as of 29 December 2023.

Name	Direct related	Deemed	Total
TTA ^{1/}	700,000,000 (49.53 percent)	122,908,013 (8.69 percent)	822,908,013 (58.22 percent)
SOH	102,509,593 ^{2/} (7.22 percent)	-	102,509,593 (7.22 percent)
Mr. Chalermchai Mahagitsiri ^{3/}	150,461,660 (10.65 percent)	822,908,013 (58.22 percent)	973,369,673 (68.87 percent)
Mr. Prayudh Mahagitsiri	54,536,882 (3.86 percent)	822,908,013 (58.22 percent)	877,444,895 (62.08 percent)
Ms. Ausana Mahagitsiri	63,588,647 (4.50 percent)	822,908,013 (58.22 percent)	886,496,660 (62.72 percent)
Mrs. Suwimon Mahagitsiri	-	822,908,013 (58.22 percent)	822,908,013 (58.22 percent)

Source: Information by TTA and MML

Remark:

1/ TTA's deemed interest arises from the shares in MML held by its wholly owned subsidiaries SOH and ATH.

ATH is the registered holder of 20,798,420 ordinary shares (1.47 percent) in MML.

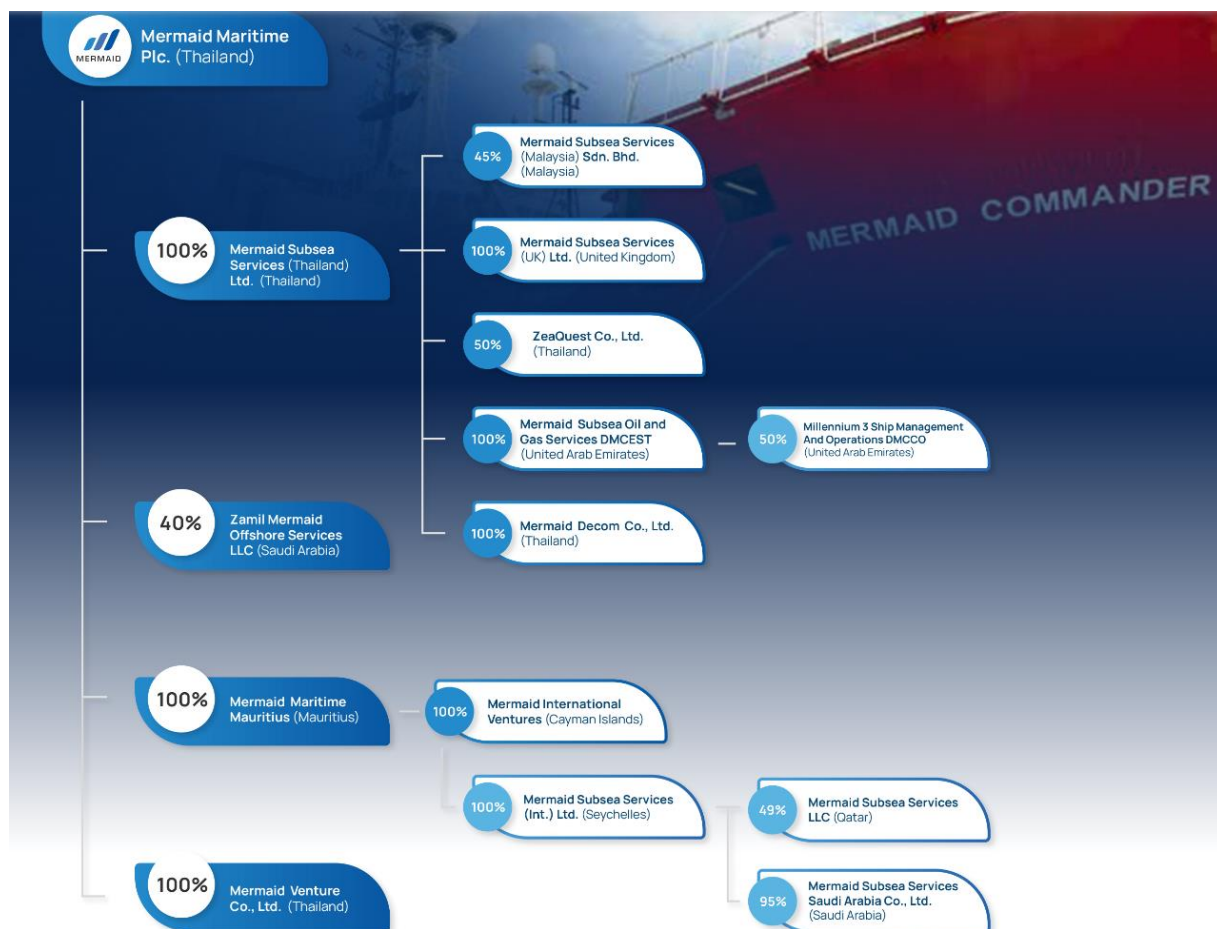
2/ SOH holds a total of 86,347,393 shares, representing 6.11% of the total shares. Additionally, it holds 15,762,200 shares (1.12%) through a custodian bank.

3/ As of 29 February 2024, Mr. Chalermchai Mahagitsiri was the registered holder of 277,679,159 ordinary shares (15.24 percent) in TTA and 150,000,000 ordinary shares (8.23 percent) 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 percent) in TTA, Mrs. Suvimol Mahagitsiri who is the registered holder of 42,325,623 ordinary shares (2.32 percent) in TTA and Mr. Prayudh Mahagitsiri who is the registered holder 87,531,758 of ordinary shares (4.80 percent) and under his custodian account of 22,620,700 shares (1.24 percent) in TTA. The combined interests of Mr. Chalermchai Mahagitsiri and his three above mentioned associates in TTA are therefore 680,024,177 ordinary shares (37.31 percent).

Accordingly, Mr. Chalermchai Mahagitsiri has a deemed interest in the 700,000,000 shares, 102,109,593 shares and 20,798,420 shares held in aggregate by TTA, SOH and ATH in MML, respectively.



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	31 December 2021		31 December 2022		31 December 2023	
	USD Million	Percent	USD Million	Percent	USD Million	Percent
Subsea IRM	82.27	73.73	113.68	50.76	154.24	56.01
Cable Lay	22.07	19.77	53.07	23.70	40.26	14.62
T&I	7.25	6.50	57.19	25.54	80.90	29.37
Total Revenue	111.59	100.00	223.94	100.00	275.40	100.00

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 30 June 2023, MML's financial performance can be summarized as follows:

➤ Statement of income

Statement of income (Unit: USD million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Revenues from rendering of services	111.59	100.00	223.94	100.00	275.40	100.00
Cost of rendering of services	(113.23)	(101.47)	(206.48)	(92.20)	(242.74)	(88.14)
Gross profit	(1.63)	(1.46)	17.46	7.80	32.67	11.86
Administrative expenses	(14.40)	(12.90)	(15.45)	(6.90)	(20.99)	(7.62)
Interest income	0.01	0.01	0.13	0.06	0.19	0.07
Profit on foreign exchange	-	-	-	-	-	-
Other income	2.63	2.36	1.25	0.56	2.00	0.73
Loss from disposal of investment in joint venture	-	-	-	-	-	-
Net loss on foreign exchange	(0.44)	(0.39)	(1.03)	(0.46)	0.90	0.33
Share of profit of joint venture and associate accounted for using equity method, net of tax	0.53	0.47	2.90	1.29	3.87	1.41
Earnings before interest and tax	(13.29)	(11.91)	5.24	2.34	16.83	6.11
Finance cost	(1.63)	(1.46)	(3.32)	(1.48)	(5.64)	(2.05)
Earnings before tax	(14.92)	(13.37)	1.92	0.86	11.18	4.06
Tax expenses	(0.75)	(0.67)	(1.59)	(0.71)	(1.52)	(0.55)
Net profit (loss)	(15.67)	(14.04)	0.34	0.15	9.67	3.51

Source: Financial statement for the year 2021 - 2023



➤ Statement of financial position

Statement of financial position (Unit: USD million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Assets						
Cash and cash equivalent	7.98	3.09	7.80	2.68	30.32	8.50
Current investment	2.87	1.11	-	-	0.75	0.21
Trade and other accounts receivable	75.70	29.27	63.93	21.93	110.60	31.02
Short-term loan to related party	-	-	1.25	0.43	3.25	0.91
Supplies and spare parts	0.35	0.14	0.95	0.33	0.94	0.26
Total current assets	86.90	33.60	73.93	25.36	145.86	40.91
Restricted deposit at financial institution	8.19	3.17	8.41	2.89	15.02	4.21
Investments in associate	22.40	8.66	22.38	7.68	22.36	6.27
Investments in joint venture	4.52	1.75	6.12	2.10	6.26	1.76
Long-term loan to related party	1.08	0.42	-	-	-	-
Other non-current receivable to related parties	-	-	16.00	5.49	16.00	4.49
Investment properties	0.45	0.17	0.41	0.14	0.36	0.10
Property, plant and equipment	132.76	51.33	134.20	46.04	129.40	36.29
Right-of use assets	0.20	0.08	29.36	10.07	20.54	5.76
Goodwill	-	-	-	-	-	-
Intangible assets	2.00	0.77	-	-	0.35	0.10
Deferred tax assets	0.06	0.02	0.62	0.21	0.66	0.19
Other non-current assets	0.08	0.03	0.08	0.03	0.08	0.02
Total non-current assets	171.73	66.40	217.56	74.64	210.72	59.09
Total assets	258.63	100.00	291.49	100.00	356.58	100.00
Liabilities						
Short-term borrowing from financial institution	-	-	-	-	3.06	0.86
Trade and other account payable	42.76	16.53	54.18	18.59	77.80	21.82
Short-term borrowing from parent company	-	-	4.00	1.37	11.50	3.23
Current portion of long-term borrowing from parent company	3.00	1.16	5.00	1.72	17.50	4.91
Current portion of long-term borrowing from financial institution	14.21	5.49	14.21	4.87	17.43	4.89
Current portion of lease liabilities	0.12	0.05	8.68	2.98	9.21	2.58
Current income tax payable	0.86	0.33	2.24	0.77	2.09	0.59
Total current liabilities	60.96	23.57	88.31	30.30	138.60	38.87



Statement of financial position (Unit: USD million)	31 December 2021	percent	31 December 2022	percent	31 December 2023	percent
Long-term borrowing from parent company	2.00	0.77	-	-	25.00	7.01
Long-term borrowing from financial institution	32.49	12.56	18.28	6.27	6.77	1.90
Lease liabilities	0.08	0.03	21.13	7.25	12.35	3.46
Deferred tax liabilities	-	-	0.02	0.01	0.00	-
Provision for employee benefits	2.44	0.94	2.82	0.97	3.26	0.91
Total non-current liabilities	37.00	14.31	42.24	14.49	47.38	13.29
Total liabilities	97.96	37.88	130.55	44.79	185.98	52.16
Equity		-		-		-
Issued and paid-up share capital	47.32	18.30	47.32	16.23	47.32	13.27
Share premium in ordinary shares	343.54	132.83	343.54	117.86	343.54	96.34
Retained earnings (loss)	(226.51)	(87.58)	(226.77)	(77.80)	(226.77)	(60.91)
Other components of equity	(3.39)	(1.31)	(3.39)	(1.16)	(3.39)	(0.95)
Equity attributed to owner of the parent	160.96	62.24	160.69	55.13	170.29	47.76
Non-controlling interests	(0.29)	(0.11)	0.25	0.09	0.32	0.09
Total Equity	160.68	62.13	160.94	55.21	170.60	47.84
Total liabilities and equity	258.63	100.00	291.49	100.00	356.58	100.00

Source: Financial statement for the year 2021 - 2023

➤ Statement of cash flows

Statement of cash flows (Unit: USD million)	31 December 2021	31 December 2022	31 December 2023
Cash flows from (used in) operating activities	(2.86)	28.39	9.96
Cash flows from (used in) investing activities	(19.20)	(9.99)	(12.89)
Cash flows from (used in) financing activities	(7.57)	(17.93)	25.34
Net cash from losing control in subsidiaries	-	-	-
Effect of exchange rate changes on cash and cash equivalents	(0.14)	(0.65)	0.10
Net increase (decrease) in cash and cash equivalent	(29.77)	(0.18)	22.52
Cash and cash equivalents at beginning of year	37.76	7.98	7.80
Cash and cash equivalents at ending of year	7.98	7.80	30.32

Source: Financial statement for the year 2021 - 2023



➤ Key financial ratios

Table of MML's key financial ratios for the year 2021 – 2023

		Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
LIQUIDITY RATIO				
Current ratio	times	1.43	0.84	1.05
Quick ratio	times	1.37	0.83	0.25
Cash flow liquidity ratio	times	(0.06)	0.38	0.09
Receivable turnover	times	2.01	3.21	8.20
Collection period	days	181.52	113.79	44.52
Account payable turnover	times	3.47	4.26	3.68
Payment period	days	105.10	85.68	99.22
PROFITABILITY RATIO				
Gross profit margin	percent	(1.46)	7.79	11.86
Net profit margin	percent	(13.72)	0.15	3.48
Return on equity	percent	(9.75)	0.20	11.33
EFFICIENCY RATIO				
Return on total assets	percent	(8.41)	0.74	3.84
Return on fixed assets	percent	2.24	18.28	30.31
Asset turnover	times	1.34	2.80	2.52
FINANCIAL POLICY RATIO				
Debt to equity ratio	times	0.61	0.81	1.09
Interest coverage ratio	times	0.92	7.23	7.42
Interest-bearing debt to EBITDA ratio	times	34.67	2.97	2.46
Interest-bearing debt to equity ratio	times	0.32	0.44	0.60
Net interest-bearing debt to equity ratio (Financial covenant from issuing debenture)	times	0.25	0.21	(0.35)
Debt service coverage ratio	times	0.09	0.75	0.71
Dividend payout ratio	Percent	_1/	_1/	_1/
PER SHARE				
Par value per share	Baht	1.00	1.00	1.00
Book value per share	Baht	0.11	0.11	0.12
Earnings per share	Baht	(0.0111)	0.0002	0.0068
Dividend per share	Baht	_1/	_1/	_1/
GROWTH RATE				
Operating revenues	percent	0.33	1.01	0.23
Operating expenses	percent	0.06	0.74	0.19
Net income	percent	(0.86)	(1.02)	27.59
Total assets	percent	0.46	0.13	0.22
Total liabilities	percent	0.18	0.33	0.42

Note: 1/ No dividend payout

Source: Financial statement for the year 2021 - 2023



Management Discussion and Analysis

Performance

Revenue from rendering services

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.

In 2023, MML's revenue from services amounted to USD 275.40 million, an increase of USD 51.47 million or 22.98% from 2022, where the revenue from services was USD 223.9 million. This increase was seen across almost all service segments, particularly in revenue from underwater engineering projects. Additionally, the utilization rate of underwater engineering vessels also increased to 91% in 2022, up from 79% in the corresponding period of the previous year. Due to in the first quarter of 2565, maintenance was conducted on 2 vessels, resulting in a utilization rate of subsea-IRM vessels at 79% for the year 2565 as a whole. However, in the fourth quarter of 2566, maintenance was performed on only 1 vessel, leading to a higher utilization rate of vessels at over 91%

Gross profit margin

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.

In 2023, MML recorded an initial profit of USD 32.66 million, representing an initial profit margin of 86.9%, which increased by USD 15.2 million compared to 2022, where the initial profit was USD 17.45 million, or an initial profit margin of 11.86%. Due to increased utilization rates of subsea-IRM vessels as mentioned earlier, along with fixed operating costs, the initial profit margin of the Decommissioning T&I business, which involves decommissioning, transportation, and installation activities under the sea, has increased. This is attributed to the commencement of decommissioning projects in the Gulf of Thailand, resulting in higher profit margins and increased initial profits.

Selling and administrative expenses

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. The increase in net profit was due to the increase in employee benefits expenses by USD 1.41 million, which aligned with the higher revenue from



sales and services. This resulted in expanding operational capacity or providing increased returns to the growing number of employees.

In 2023, MML's selling and administrative expenses amounted to USD 20.99 million, an increase of USD 5.54 million or 35.87% from 2022, where selling and administrative expenses were USD 15.45 million. The increase was primarily due to the increased employee benefit expenses by USD 2.67 million, which aligned with the higher revenue from sales and services. This resulted in the expansion of operational capacity or increased employee rewards.

Net profit margin

In 2022, MML's net profit is USD 0.34 million, or a net profit margin of 0.15%, representing an increase of USD 16.01 million compared to 2021 when the net profit was (USD 15.67) million, or a net loss margin of (14.04)%. This increase was attributed to MML's recognition of revenue from its pipeline and Cable Laying projects underwater, as well as increased installation and decommissioning work, which significantly improved compared to the previous year in 2021.

In 2023, MML's reported a net profit of USD 9.66 million, representing a net profit margin of 3.51%, an increase of USD 9.326 million compared to 2022, where the net profit was USD 0.34 million, or a net profit margin of 0.15%. Due to MML's increased initial profit margin from its Decommissioning T&I business, stemming from the initiation of decommissioning projects in the Gulf of Thailand,

Financial position

Assets

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. The main reason for this increase was the growth in non-current liabilities related to joint ventures by USD 16.00 million and property, plant, and equipment by USD 29.16 million. The significant increase primarily stemmed from the addition of property, plant, and equipment related to vessels amounting to USD 23.35 million and property, plant, and equipment related to land amounting to USD 5.74 million.

As of 31 December 2023, MML's total assets is USD 356.58 million, increasing by USD 65.08 million from as of total assets as of 31 December 2022, which stood at USD 291.49 million. The primary reason for this increase was the growth in trade receivables and other receivables by USD 46.66 million. This can be observed from MML's significant increase in revenue, rising from USD 223.94 million to USD 275.40 million, representing a 22.98% increase.



Liabilities

As of 31 December 2022, MML's total liabilities is USD 130.55 million, increasing by USD 32.59 million as of 31 December 2021 which was USD 97.96 million, due to the increase of USD 21.05 million from lease liabilities which aligns with the expansion of the submarine pipeline and Cable Laying projects, including installation and decommissioning work.

As of 31 December 2023, MML's total liabilities is USD 185.98 million, increasing by USD 55.42 million as of the total liabilities as of 31 December 2022, which stood at USD 130.55 million. The primary reason for this increase was the rise in borrowings from related businesses, increasing by USD 50.00 million. Due to the necessity for MML to utilize working capital for conducting Cable Laying operations and investing in underwater surveys using remotely operated vehicles (ROVs), as well as for project installation and decommissioning activities, MML has allocated \$20.00 million for Cable Laying enhancements and underwater surveys and \$30.00 million for installation and decommissioning projects under the signed contracts with leading exploration and petroleum production companies in Thailand.

Equity

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.

As of 31 December 2023, MML's shareholders' equity is USD 170.60 million, increasing by USD 9.66 million as of 31 December 2022, the shareholders' equity was USD 160.94 million. This increase primarily resulted from MML's net profit of USD 9.66 million.

Liquidity analysis

Cash flow from operating activities

In 2021, MML had a net cash outflow of USD 2.86 million, primarily due to cash used in operating activities before changes in working capital amounting to USD 4.59 million. This change was mostly driven by cash used in trade accounts receivable and other revolving accounts, totaling USD 20.20 million.

In 2022, MML had a net cash inflow of USD 28.39 million from operating activities, with operating income before changes in working capital amounting to USD 20.52 million. This change was mainly attributed to net cash generated from operating activities amounting to USD 10.99 million.

In 2023, MML had a net cash inflow of USD 9.96 million from operating activities, with operating income before changes in working capital amounting to USD 39.25 million. However, there was a significant increase in cash used in trade accounts receivable and other revolving accounts, totaling USD 43.57 million, resulting in a decrease in net cash inflow to USD 9.96 million.



Cash flow from investing activities

In 2021, MML had a net cash outflow of USD 19.20 million from investment activities, primarily due to investments in marketable securities totaling USD 11.95 million and the acquisition of property, plant, and equipment, including intangible assets, amounting to USD 24.64 million.

In 2022, MML had a net cash outflow of USD 9.99 million from investment activities, mainly attributable to the purchase of property, plant, and equipment, including intangible assets, amounting to USD 14.93 million.

In 2023, MML had a net cash outflow of USD 12.89 million from investment activities, primarily due to investments in property, plant, and equipment, including intangible assets, amounting to USD 11.12 million.

Cash flow from financing activities

In 2021, MML had a net cash outflow from financing activities of USD 7.57 million. This was due to repayment of borrowings amounting to 15.27 million and payment of financial liabilities amounting to 1.57 million. Additionally, MML increased long-term borrowings from the company by an additional 5.00 million.

In 2022, MML had a net cash outflow from financing activities of USD 17.93 million. This was mainly due to repayment of borrowings amounting to USD 14.27 million, along with payment of financial liabilities amounting to USD 2.21 million, and payment of lease obligations amounting to USD 5.45 million. Additionally, MML increased short-term borrowings from the company by an additional USD 4.00 million.

In 2023, MML had a net cash inflow from financing activities of USD 25.34 million. This was primarily due to receiving long-term borrowings from the company amounting to the highest at USD 37.50 million, as well as cash receipts from short-term borrowings from the company amounting to USD 7.50 million, and cash receipts from short-term borrowings from financial institutions amounting to USD 3.00 million. This resulted in repayment of borrowings amounting to USD 14.27 million and repayment of lease obligations amounting to USD 10.31 million, along with payment of financial liabilities amounting to USD 3.99 million.

Net cash and cash equivalent increase (decrease)

In 2023, MML experienced a net increase (decrease) in cash and cash equivalents of USD 22.52 million. This change led to MML's year-end cash and cash equivalents amounting to USD 30.32 million as of 31 December 2023. This change was attributed to short-term loans provided to related individuals or businesses amounting to USD 2.00 million and investments in real estate, buildings, equipment, and intangible assets totaling USD 11.12 million. This is similar to 2022 when MML had year-end cash and cash equivalents of USD 7.80 million USD. Despite a net cash flow from operating activities of USD 28.39 million, there were net cash outflows for investment activities of USD 9.99 million and financing activities of USD 17.93 million.



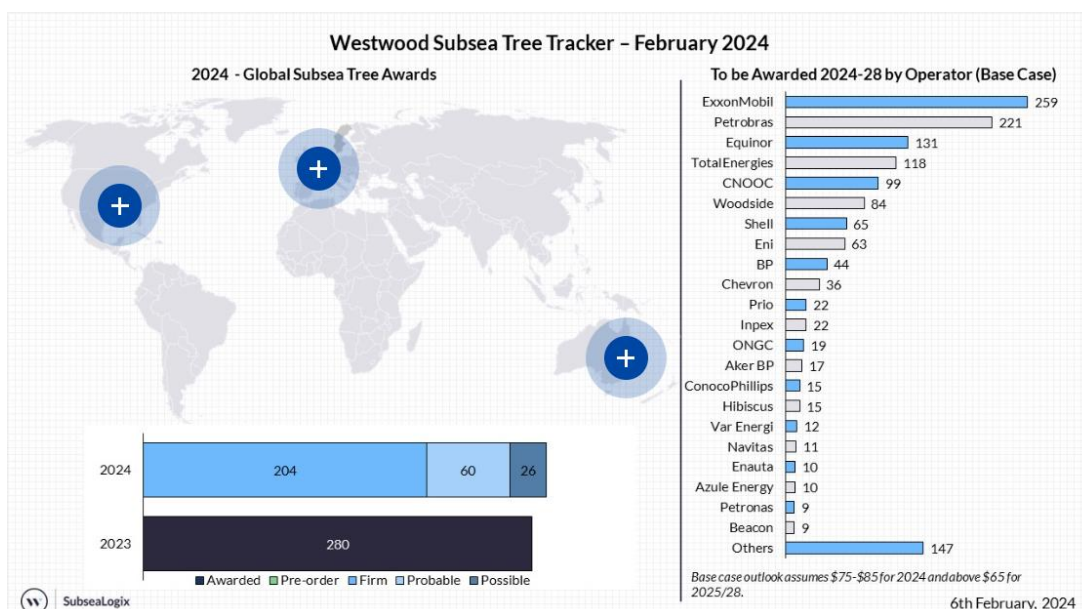
Therefore, when considering the Current Ratio, which reflects the ability to pay short-term debts, it is found that it corresponds with the net increase (decrease) in cash and cash equivalents of MML. In 2023, MML had a current ratio of 1.05 times, which is higher than 1.00 times. This indicates a good liquidity position for MML, as its current assets exceed its current liabilities, allowing it to use these current assets to pay short-term debts.



4.2.8 Industry overview and outlook

According to the Oil & Gas Global Capex Outlook, global spending growth decelerating sharply in 2024, following a robust recovery from 2021 to 2023. We anticipate 2024 global capital expenditures (capex) to reach USD606.6bn, indicating a growth of 0.5% y-o-y, after an expected growth of 5.1% y-o-y for 2023, and 20.5% y-o-y growth in 2022. Our 2024 spending growth outlook is supported by a more cautious approach to investing pursued by oil and gas companies amid growing market uncertainty as they broadly continue to prioritise value over output growth. At the same time, the persistent cost inflation in 2023 raised our initial global capex estimate by 1.4% to USD603.3bn.

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.



Source: Westwood Global Energy Group



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.