


**MERMAID MARITIME PUBLIC COMPANY LIMITED**

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

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**Financial Statements and Dividend Announcement for the Period Ended 31 March 2019**


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**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial three-month period ended 31 March.**

	<b>Consolidated financial statements</b>		Change %
	Three-month period ended 31 March		
	2019	2018	
	<i>(in thousand US Dollar)</i>		
<b>Revenues</b>			
Revenues from rendering of services	25,792	17,992	43.4%
Interest income	210	139	51.1%
Net gain on foreign exchange	92	603	-84.7%
Other income	105	2,143	-95.1%
<b>Total revenues</b>	<b>26,199</b>	<b>20,877</b>	<b>25.5%</b>
<b>Expenses</b>			
Costs of rendering of services	25,898	22,337	15.9%
Administrative expenses	4,944	4,983	-0.8%
Finance costs	971	919	5.7%
<b>Total expenses</b>	<b>31,813</b>	<b>28,239</b>	<b>12.7%</b>
Share of profit of associates and joint venture	1,217	1,296	-6.1%
<b>Loss before income tax expense</b>	<b>(4,397)</b>	<b>(6,066)</b>	<b>-27.5%</b>
Tax expense	142	118	20.3%
<b>Loss for the period</b>	<b>(4,539)</b>	<b>(6,184)</b>	<b>-26.6%</b>
<b>Other comprehensive expense:</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	-	-	-
<b>Other comprehensive expense for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive expense for the period</b>	<b>(4,539)</b>	<b>(6,184)</b>	<b>-26.6%</b>
<b>Profit (loss) attributable to:</b>			
Owners of parent	(4,540)	(6,202)	-26.8%
Non-controlling interests	1	18	-94.4%
<b>Loss for the period</b>	<b>(4,539)</b>	<b>(6,184)</b>	<b>-26.6%</b>
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of parent	(4,540)	(6,202)	-26.8%
Non-controlling interests	1	18	-94.4%
<b>Total comprehensive expense for the period</b>	<b>(4,539)</b>	<b>(6,184)</b>	<b>-26.6%</b>
<b>Losses per share</b>	<i>(in US Dollar)</i>		
Basic losses per share	(0.0032)	(0.0044)	-27.3%
<b>Notes to the income statements</b>			
Depreciation and amortization	4,823	4,231	
Finance costs	971	919	
Bad and doubtful debts expenses	-	20	
Reversal of impairment losses on assets	-	1,800	



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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
<b>Assets</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
<i>Current assets</i>				
Cash and cash equivalents	23,706	36,484	5,964	1,752
Current investments	18,082	18,036	-	-
Trade accounts receivable	45,765	35,924	-	-
Other accounts receivable	9,494	7,067	143,115	141,141
Supplies and spare parts	1,247	1,384	-	-
Short-term loans to related parties	-	-	16,800	16,800
<b>Total current assets</b>	<b>98,294</b>	<b>98,895</b>	<b>165,879</b>	<b>159,693</b>
<i>Non-current assets</i>				
Restricted deposit at financial institutions	14,591	14,550	-	4,375
Investments in associates	120,625	119,423	22,507	22,507
Investments in joint venture	2,135	2,120	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	576	588	1,967	2,013
Long-term loan to related party	-	-	57,023	55,902
Property, plant and equipment	165,610	169,429	130	146
Goodwill	2,066	2,066	18	21
Intangible assets	94	114	-	-
Deferred tax assets	2,281	2,281	21	21
Other non-current assets	154	125	24	11
<b>Total non-current assets</b>	<b>308,132</b>	<b>310,696</b>	<b>238,862</b>	<b>242,168</b>
<b>Total assets</b>	<b>406,426</b>	<b>409,591</b>	<b>404,741</b>	<b>401,861</b>



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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>	31 March 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>
<b>Liabilities and equity</b>				
<i>Current liabilities</i>				
Trade accounts payable	4,918	5,201	-	-
Other accounts payable	23,617	18,992	548	745
Current portion of long-term borrowings	17,890	15,890	-	-
Current portion of finance lease liabilities	47	47	-	-
Current income tax payable	206	194	-	-
<b>Total current liabilities</b>	<b>46,678</b>	<b>40,324</b>	<b>548</b>	<b>745</b>
<i>Non-current liabilities</i>				
Long-term borrowings	46,863	51,835	-	-
Finance lease liabilities	40	40	-	-
Provisions for employee benefits	2,496	2,504	109	105
<b>Total non-current liabilities</b>	<b>49,399</b>	<b>54,379</b>	<b>109</b>	<b>105</b>
<b>Total liabilities</b>	<b>96,077</b>	<b>94,703</b>	<b>657</b>	<b>850</b>
<i>Equity</i>				
Share capital				
Authorized share capital	-	-	-	-
Issued and paid share capital	47,322	47,322	47,322	47,322
Share premium on ordinary shares	343,536	343,536	343,536	343,536
Differences arising from common control transactions	-	-	(7,406)	(7,406)
Retained earnings (Deficit)				
Unappropriated (Deficit)	(77,785)	(73,245)	20,604	17,531
Other components of equity	(2,197)	(2,197)	28	28
<b>Equity attributable to owners of the parent</b>	<b>310,876</b>	<b>315,416</b>	<b>404,084</b>	<b>401,011</b>
Non-controlling interests	(527)	(528)	-	-
<b>Total equity</b>	<b>310,349</b>	<b>314,888</b>	<b>404,084</b>	<b>401,011</b>
<b>Total liabilities and equity</b>	<b>406,426</b>	<b>409,591</b>	<b>404,741</b>	<b>401,861</b>



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

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

	<b>As at 31 March 2019</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Amount repayable in one year or less, or on demand (*)	17,937	-	<b>17,937</b>
Amount repayable after one year	46,903	-	<b>46,903</b>

	<b>As at 31 December 2018</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Amount repayable in one year or less, or on demand (*)	15,937	-	<b>15,937</b>
Amount repayable after one year	51,875	-	<b>51,875</b>

(\*) Including short-term borrowings from financial institutions, current portions of long-term borrowings from financial institutions and finance leases, if any.

As at 31 March 2019, the Group’s property, plant and equipment with a net book value of US Dollar 118.8 million (*31 December 2018: US Dollar 121.6 million*) were registered to secure short-term and long-term facilities with financial institutions.

As at 31 March 2019, US Dollar 11.0 million (*31 December 2018: US Dollar 8.3 million*) of restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payment.

As at 31 March 2019, US Dollar 3.6 million (*31 December 2018: US Dollar 1.9 million*) of restricted deposit at a financial institution was deposited by subsidiaries to secure the performance guarantee from the financial institution.



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

	<b>Consolidated financial statements</b>	
	Three-month period ended	
	31 March	
	2019	2018
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the period	(4,539)	(6,184)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense	142	118
Finance costs	971	919
Depreciation	4,803	4,204
Amortisation	20	27
Reversal of impairment losses on assets	-	(1,800)
Unrealised loss (gain) on exchange	(105)	103
Gain from revaluation of trading securities	(46)	-
Share of profit of associates and joint venture, net of tax	(1,217)	(1,296)
Bad and doubtful debts expenses	-	20
Gains on disposals and write-offs of property, plant and equipment	-	(252)
Interest income	(210)	(139)
Provision for employee benefits	11	19
Loss from write-off non-refundable withholding tax	397	249
	<u>227</u>	<u>(4,012)</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institutions	(41)	(1,000)
Trade accounts receivable	(9,855)	25,510
Other accounts receivable	(2,428)	(4,235)
Supplies and spare parts	137	(52)
Other non-current assets	(29)	(46)
Trade accounts payable	(278)	1,727
Other accounts payable	4,143	(2,706)
Net cash (used in) generated from operating activities	<u>(8,124)</u>	<u>15,186</u>
Employee benefit paid	(19)	(46)
Taxes paid	<u>(152)</u>	<u>-</u>
<b>Net cash (used in) from operating activities</b>	<u><b>(8,295)</b></u>	<u><b>15,140</b></u>

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**Consolidated financial statements**

Three-month period ended

31 March

2019 2018

*(in thousand US Dollar)****Cash flows from investing activities***

Increase in current investments	-	(3,833)
Proceeds from sale of property, plant and equipment	24	244
Acquisition of property, plant and equipment and intangible assets	(893)	(3,390)
Interest received	209	140
<b>Net cash used in investing activities</b>	<b>(660)</b>	<b>(6,839)</b>

***Cash flows from financing activities***

Repayment of borrowings	(3,000)	(3,000)
Finance costs paid	(956)	(889)
<b>Net cash used in financing activities</b>	<b>(3,956)</b>	<b>(3,889)</b>

Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(12,911)	4,412
Effect of exchange rates changes on cash and cash equivalents	133	(87)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,778)</b>	<b>4,325</b>
Cash and cash equivalents at beginning of period	36,484	68,692
<b>Cash and cash equivalents at ending of period</b>	<b>23,706</b>	<b>73,017</b>

***Non-cash transactions***

Receivables for sales of property, plant and equipment and intangible assets	-	24
Payables for purchase of property, plant and equipment and intangible assets	352	593
Finance lease agreements for purchases of equipment	-	139
Transfer of advance payment for investment to investment in associates	-	3,800



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

	Consolidated financial statements										
					Other components of equity						
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/(Deficit)		Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity	Equity		Total
			Legal reserve	Deficit					attributable to owners of parent	Non- controlling interests	
<i>(in thousand US Dollar)</i>											
<b>Three-month period ended 31 March 2019</b>											
<b>Balance at 1 January 2019</b>	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888
<b>Comprehensive income (expense) for the period</b>											
Profit or loss	-	-	-	(4,540)	-	-	-	-	(4,540)	1	(4,539)
<b>Total comprehensive income (expense) for the period</b>	-	-	-	(4,540)	-	-	-	-	(4,540)	1	(4,539)
<b>Balance at 31 March 2019</b>	47,322	343,536	-	(77,785)	1,195	28	(3,420)	(2,197)	310,876	(527)	310,349



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**Consolidated financial statements**

Other components of equity

	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/(Deficit)		Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity	Equity attributable to owners of parent	Non- controlling interests	Total equity
			Legal reserve	Deficit							
<i>(in thousand US Dollar)</i>											
<b>Three-month period ended 31 March 2018</b>											
<b>Balance at 1 January 2018</b>	47,322	343,536	-	(46,052)	1,193	28	(3,420)	(2,199)	342,607	(423)	342,184
<b>Comprehensive income (expense) for the period</b>											
Profit or loss	-	-	-	(6,202)	-	-	-	-	(6,202)	18	(6,184)
<b>Total comprehensive income (expense) for the period</b>	-	-	-	(6,202)	-	-	-	-	(6,202)	18	(6,184)
<b>Balance at 31 March 2018</b>	47,322	343,536	-	(52,254)	1,193	28	(3,420)	(2,199)	336,405	(405)	336,000





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**Separate financial statements**

	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Share-based payment	
<i>(in thousand US Dollar)</i>							
<b>Three-month period ended 31 March 2019</b>							
<b>Balance at 1 January 2019</b>	47,322	343,536	(7,406)	-	17,531	28	401,011
<b>Comprehensive income for the period</b>							
Profit	-	-	-	-	3,073	-	3,073
<b>Total comprehensive income for the period</b>	-	-	-	-	3,073	-	3,073
<b>Balance at 31 March 2019</b>	47,322	343,536	(7,406)	-	20,604	28	404,084



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**Separate financial statements**

	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Share-based payment	
<i>(in thousand US Dollar)</i>							
<b>Three-month period ended 31 March 2018</b>							
<b>Balance at 1 January 2018</b>	<b>47,322</b>	<b>343,536</b>	<b>(7,406)</b>	<b>-</b>	<b>18,546</b>	<b>28</b>	<b>402,026</b>
<b>Comprehensive income for the period</b>							
Profit	-	-	-	-	7,252	-	7,252
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,252</b>	<b>-</b>	<b>7,252</b>
<b>Balance at 31 March 2018</b>	<b>47,322</b>	<b>343,536</b>	<b>(7,406)</b>	<b>-</b>	<b>25,798</b>	<b>28</b>	<b>409,278</b>



## **MERMAID MARITIME PUBLIC COMPANY LIMITED**

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

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

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

As at 31 March 2019 and 31 December 2018, the issued and paid-up ordinary shares of the Company were 1,413,329,000 shares with a par value of Baht 1 per share, respectively.

As at 31 March 2019 and 31 December 2018, there were no outstanding treasury shares.

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

Not applicable, since the Company has not transacted treasury shares during the period that ended on 31 March 2019.

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

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

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

The Independent Auditor's Report on Review of Interim Financial Information is on pages 1 of the interim consolidated and the Company financial statements for the three-month period ended on 31 March 2019, which are reported together with this announcement and available on the SGX's website and the Company's website.

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

The same accounting policies and methods of computation as in the Group's most recently audited annual Thai GAAP financial statements have been applied.



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

The new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

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

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

***Basic earnings (losses) per share***

The calculations of basic earnings (losses) per share for the three-month period ended 31 March 2019 and 2018 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	<b>Consolidated financial statements</b>			
	2019 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2019 <i>(in thousand Baht/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>
<b>Loss attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(4,540)</u></b>	<b><u>(6,202)</u></b>	<b><u>(143,516)</u></b>	<b><u>(195,620)</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
<b>Losses per share (basic)</b>	<b><u>(0.0032)</u></b>	<b><u>(0.0044)</u></b>	<b><u>(0.1015)</u></b>	<b><u>(0.1384)</u></b>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
<i>Three-month period ended 31 March</i>	<b>Separate financial statements</b>			
	2019 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2019 <i>(in thousand Baht/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>3,073</u></b>	<b><u>7,252</u></b>	<b><u>97,141</u></b>	<b><u>228,736</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
<b>Earnings per share (basic)</b>	<b><u>0.0022</u></b>	<b><u>0.0051</u></b>	<b><u>0.0687</u></b>	<b><u>0.1618</u></b>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	



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

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

	Consolidated		Company	
	31-Mar-19 USD	31-Dec-18 USD	31-Mar-19 USD	31-Dec-18 USD
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of the respective year				
- Ordinary share (Basic)	0.22	0.22	0.29	0.28

*Remark: Net asset value = Total equity attributable to owners of the Company*

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

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

**Business Segment Analysis**

Subsea Group reported service income for the three months period ended 31 March 2019 of US Dollar 25.8 million, an increase of US Dollar 7.8 million or approximately 43.4% compared to US Dollar 18.0 million of the corresponding period. This was primarily due to utilization of performing vessels increased in this quarter.

Subsea Group generated gross loss for the three months period ended 31 March 2019 of US Dollar 0.1 million, a decrease of US Dollar 4.3 million compared to US Dollar 4.4 million of the corresponding period. This was primarily due to the increased in utilization of high performing vessels.

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 31 March 2019 of US Dollar 5.4 million, a decrease of US Dollar 5.3 million compared to US Dollar 10.7 million of the corresponding period, as a result of the increased in utilization of high performing vessels.

**Consolidated Income Statements**

The Group recorded service income for the three months period ended 31 March 2019 of US Dollar 25.8 million, an increase of US Dollar 7.8 million or approximately 43.4% compared to US Dollar 18.0 million of the corresponding period.

The Group reported a gross loss for the three months period ended 31 March 2019 of US Dollar 0.1 million, a decrease of US Dollar 4.3 million compared to US Dollar 4.4 million for the corresponding period.



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The Group recorded administrative expenses for the three months period ended 31 March 2019 of US Dollar 5.0 million same as the corresponding period.

### **Share of Investments in Associate and jointly-controlled entity**

The share of profits from AOD\* investment for the three months period ended 31 March 2019 was US Dollar 1.2 million, a decrease of US Dollar 0.1 million compared to the share profits of US Dollar 1.3 million in corresponding period.

*\*AOD means Asia Offshore Drilling and its subsidiaries.*

### **Loss for the period**

As a result, the Group reported net loss for the three months period ended 31 March 2019 of US Dollar 4.5 million, a decrease of US Dollar 1.7 million compared to US Dollar 6.2 million as reported in the last three months period ended 31 March 2018.

### **Consolidated Balance Sheets**

Current assets as at 31 March 2019 were US Dollar 98.3 million, a decrease of US Dollar 0.6 million or 0.6% compared to US Dollar 98.9 million as at 31 December 2018. The decreased was primarily due to a decreased in cash and cash equivalent of US Dollar 12.8 million which was offset against increase in trade accounts receivable of US Dollar 9.8 million which is in line with increase in revenue from services and increase in other accounts receivable US Dollar 2.4 million.

Non-current assets as at 31 March 2019 were US Dollar 308.1 million, a decrease of US Dollar 2.6 million or 0.8% compared to US Dollar 310.7 million as at 31 December 2018. The decrease was primarily due to a decrease in properties, plant and equipment of US Dollar 3.8 million mainly from depreciation during the period which was offset against a share profits from one associate of US Dollar 1.2 million.

Current liabilities as at 31 March 2019 were US Dollar 46.7 million, an increase of US Dollar 6.3 million or 15.8% compared to US Dollar 40.3 million as at 31 December 2018. The increase was primarily due to an increase in other accounts payable of US Dollar 4.6 million and increase in current portion of long-term borrowings US Dollar 2.0 million.

Non-current liabilities as at 31 March 2019 were US Dollar 49.4 million, a decrease of US Dollar 5.0 million or 9.2% compared to US Dollar 54.4 million as at 31 December 2018. The decrease was mainly due to a repayment of US Dollar 3.0 million during the period for long-term borrowings from financial institutions.

Equity as at 31 March 2019 was US Dollar 310.3 million, a decrease of US Dollar 4.5 million or 1.4% compared to US Dollar 314.8 million as at 31 December 2018. This was mainly due to loss for the three months period ended 31 March 2019.



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### **Working Capital**

The Company's working capital as at 31 March 2019 was US Dollar 51.6 million, a decrease of US Dollar 7.0 million or approximately 11.9% compared to US Dollar 58.6 million as at 31 December 2018.

### **Consolidated Cash Flow Statements**

The Group had net cash used in operating activities for the three months period ended 31 March 2019 of US Dollar 8.3 million which mainly from increased in trade accounts receivable and other accounts receivable.

The Group had net cash used in investing activities for the three months period ended 31 March 2019 of US Dollar 0.7 million which was primarily due to an acquisition of property, plant and equipment and intangible assets of US Dollar 0.9 million and interest received of US Dollar 0.2 million.

The Group had net cash used in financing activities for the three months period ended 31 March 2019 of US Dollar 4.0 million, primarily due to loan repayment to financial institutions and finance cost paid.

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

Not applicable

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

Even though the oil prices came down during the fourth quarter of 2018, there are reports that offshore operators still plan to spend more in 2019 and move forward on project sanctioning. Oil prices recently eased after Brent touched \$75 per barrel for the first time in nearly six months on the suspension of some Russian crude exports to Europe.

The offshore service market is still taking its time to accelerate. Recently we have seen a trend of rising oil prices and we are beginning to see signs of a delicate steadiness in the upstream oil and gas sector. According to Rystad Energy the outlook for offshore contractors remains strong with more than 100 new projects slated for 2019. Rystad Energy's projection follows four consecutive years of declining revenues, but the remaining offshore contractors can expect revenues to start growing again in 2019.

Throughout the latter part of 2018 and the first two quarters of 2019 Mermaid Subsea Services has steadily won work. There is still a highly competitive pricing landscape for the company within its DSV IRM and ROV segments which is still showing depressed vessel rates. This is coupled with increased tonnage vessels and higher specification new build DP DSV's entering the market in 2019. In a bid to achieve increased vessel utilization, Mermaid



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continues to adapt to the current market conditions, requiring us to constantly re-examine how we execute our business. Through this continual examination, we act and think smarter.

Mermaid is focusing its efforts on offering a wider range of integrated subsea services and increasing its fleet capability by venturing into new markets in the Mediterranean, Egypt and West Africa.

Whilst we continue to focus on our core business lines, we are aggressively pursuing contracts further afield that is driving the company into a new era of subsea Installation engineering, offshore decommissioning, project & offshore construction management, cable and SURF installation service capabilities.

Cash preservation remains a top priority for the Group. The Group managed actively to enhance return from excess cash by investing in higher return yield within a limited risk and proper liquidity level, we continued to execute its cost savings program to counter the impact of the market challenging whilst aiming to maintain safety, quality and efficiency.

The Group's balance sheet remains in a strong position with a low gearing which is expected to financially help the Group during the market challenging period. We also well positioned to capitalize on opportunistic expansion if and when potential distressed assets become available for sale.

In our drilling business joint venture under Asia Offshore Drilling Limited ("AOD"), the Group's three high specification jack-up drilling rigs have performed strongly in the Middle East with full utilization during the first quarter of 2019. The existing customer contracts for these three rigs namely 'AOD I', 'AOD II' and 'AOD III', are scheduled to expire in June 2019, July 2019 and December 2019, respectively.

To date, 'AOD I' has secured a contract extension for another three (3) years with the same customer commencing from July 2019 through to June 2022, albeit at lower than current day rates. The jack-up market remains a challenging one and competition remains fierce. During this time, AOD's focus shall continue to be on retaining gainful employment for all three rigs with its existing customer into the long term and to operate all rigs at optimal levels.

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

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

Nil

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

Nil

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

No dividend has been declared during the corresponding period.





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

Nil

*(d) The date the dividend is payable.*

Not applicable

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

Not applicable

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

Not applicable

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

There is no mandate from shareholders for IPTs. Nevertheless, the details of the aggregate value of interested person transactions of the Company for the period that ended on 31 March 2019 is as follows:

Mermaid Maritime Public Company Limited Reviewed results for the period that ended on 31 March 2019 Interested persons transactions for the period that ended on 31 March 2019		
Name of interested persons	Aggregate value of all interested persons transactions during the period that ended on 31 March 2019 under review (excluding transactions less than US Dollar 100,000* and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested persons transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than US Dollar 100,000*)
	USD'000	USD'000
Service income	-	-
Cost of services	-	-

**14. A reconciliation of difference between TFRS to IFRS.**

The Company is in the process of assessing impacts of the difference between TFRS and IFRS.



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

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the First quarter that ended on 31 March 2019 of the Group and the Company to be false or misleading in any material respect.

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

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

**BY ORDER OF THE BOARD**

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