

**Mermaid Maritime Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and
nine-month periods ended
30 September 2016

and

Independent Auditor's report on review of
interim financial information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, as at 30 September 2016; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2016; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2016

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements			
		30 September	31 December	30 September	31 December
Assets	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)	(Unaudited)		
		<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>		
<i>Current assets</i>					
Cash and cash equivalents		59,907	57,411	2,078,767	2,071,883
Short-term deposit at financial institution		27,950	-	969,862	-
Trade accounts receivable	3,4	74,694	114,785	2,591,875	4,142,430
Other receivables		19,584	13,825	679,563	498,925
Receivables from related parties	3	3	3	104	108
Deferred contract costs		2,205	3,734	76,513	134,755
Supplies and spare parts		1,990	2,519	69,053	90,907
Dividend receivable	3,5	-	6,752	-	243,670
Total current assets		186,333	199,029	6,465,737	7,182,678
<i>Non-current assets</i>					
Restricted deposit at financial institution		7,576	5,849	262,886	211,082
Investments in associates and joint venture	5	84,573	74,797	2,934,675	2,699,319
Investment properties		641	699	22,243	25,226
Property, plant and equipment	7	202,747	214,262	7,035,300	7,732,416
Goodwill		2,066	2,066	71,690	74,559
Intangible assets		229	301	7,946	10,863
Deferred tax assets		2,524	2,507	87,583	90,474
Other non-current assets		212	295	7,356	10,646
Total non-current assets		300,568	300,776	10,429,679	10,854,585
Total assets		486,901	499,805	16,895,416	18,037,263

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements			
		30 September	31 December	30 September	31 December
Liabilities and equity	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)	(Unaudited)		
		<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>		
<i>Current liabilities</i>					
Short-term loans from financial institution	8	-	3,613	-	130,388
Trade accounts payable		4,967	12,073	172,354	435,698
Other payables		42,569	50,769	1,477,141	1,832,182
Current portion of long-term loans from financial institutions	9	95,603	103,770	3,317,415	3,744,914
Current portion of finance lease liabilities		3	24	104	866
Income tax payable		549	2,678	19,050	96,645
Total current liabilities		143,691	172,927	4,986,064	6,240,693
<i>Non-current liabilities</i>					
Finance lease liabilities		13	17	451	614
Deferred tax liabilities		1,976	2,825	68,567	101,950
Employee benefit obligations		3,660	2,997	127,002	108,158
Total non-current liabilities		5,649	5,839	196,020	210,722
Total liabilities		149,340	178,766	5,182,084	6,451,415

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of financial position

	Consolidated financial statements				
	<i>Note</i>	30 September 2016 (Unaudited) <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 (Unaudited) <i>(in thousand Baht)</i>	31 December 2015
Liabilities and equity					
Equity					
Share capital					
Authorised share capital		-	-	1,416,701	1,416,701
Issued and paid-up share capital		47,322	47,322	1,413,329	1,413,329
Premium on share capital	17	343,536	422,563	12,271,678	13,558,613
Retained earnings (Deficit)					
Appropriated	17	-	4,503	-	141,670
Deficit	17	(51,001)	(151,031)	(3,550,277)	(5,558,241)
Other components of equity		(1,792)	(1,790)	1,599,830	2,052,530
Equity attributable to owners of the Company		338,065	321,567	11,734,560	11,607,901
Non-controlling interests		(504)	(528)	(21,228)	(22,053)
Total equity		337,561	321,039	11,713,332	11,585,848
Total liabilities and equity		486,901	499,805	16,895,416	18,037,263

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Separate financial statements			
		30 September	31 December	30 September	31 December
		2016 (Unaudited) <i>(in thousand US Dollar)</i>	2015	2016 (Unaudited) <i>(in thousand Baht)</i>	2015
Current assets					
Cash and cash equivalents		20,282	22,990	703,784	829,677
Short-term deposit at financial institution		27,950	-	969,862	-
Other receivables		178	118	6,177	4,258
Receivables from related parties	3	139,915	133,115	4,855,036	4,803,934
Short-term loans to related parties	3	122,882	130,008	4,263,993	4,691,807
Dividends receivable	3	-	9,600	-	346,451
Total current assets		311,207	295,831	10,798,852	10,676,127
Non-current assets					
Investment in joint venture	5	213	213	7,391	7,687
Investments in subsidiaries	6	122,177	122,177	4,239,530	4,409,197
Investment properties		2,268	2,481	78,699	89,536
Property, plant and equipment	7	146	205	5,066	7,398
Intangible assets		53	73	1,839	2,634
Deferred tax assets		19	26	659	938
Other non-current assets		34	37	1,180	1,335
Total non-current assets		124,910	125,212	4,334,364	4,518,725
Total assets		436,117	421,043	15,133,216	15,194,852

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of financial position

		Separate financial statements			
		30 September 2016 (Unaudited) <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 (Unaudited) <i>(in thousand Baht)</i>	31 December 2015
Liabilities and equity	<i>Note</i>				
Current liabilities					
Short-term loans from related parties	3	6,800	-	235,959	-
Other payables	3	36,414	36,630	1,263,563	1,321,925
Income tax payable		-	754	-	27,211
Total current liabilities		43,214	37,384	1,499,522	1,349,136
Non-current liabilities					
Employee benefit obligations		117	103	4,060	3,717
Total non-current liabilities		117	103	4,060	3,717
Total liabilities		43,331	37,487	1,503,582	1,352,853
Equity					
Share capital					
Authorised share capital		-	-	1,416,701	1,416,701
Issued and paid-up share capital		47,322	47,322	1,413,329	1,413,329
Premium on share capital	17	343,536	422,563	12,271,678	13,558,613
Differences arising from common control transactions		(7,406)	(7,406)	(239,757)	(239,757)
Retained earnings (Deficit)					
Appropriated	17	-	4,503	-	141,670
Unappropriated / (Deficit)	17	9,306	(83,454)	(1,156,879)	(2,912,853)
Other components of equity		28	28	1,341,263	1,880,997
Total equity		392,786	383,556	13,629,634	13,841,999
Total liabilities and equity		436,117	421,043	15,133,216	15,194,852

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Three-month period ended		Three-month period ended	
		30 September		30 September	
<i>Note</i>		2016	2015	2016	2015
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Income</i>					
	Revenue from rendering of services	51,852	96,597	1,806,752	3,404,614
	Interest income	131	28	4,565	987
	Net gain on foreign exchange	56	591	1,951	20,830
	Other income	83	65	2,892	2,291
	Total income	52,122	97,281	1,816,160	3,428,722
<i>Expenses</i>					
	Cost of rendering of services	39,175	75,678	1,365,029	2,667,313
	Administrative expenses	6,503	11,026	226,593	388,618
	Finance costs	864	914	30,106	32,214
	Total expenses	46,542	87,618	1,621,728	3,088,145
	Share of profit of investments in associates and joint venture	2,042	7,513	71,152	264,800
	Profit before income tax expense	7,622	17,176	265,584	605,377
	Income tax expense	(107)	(736)	(3,728)	(25,941)
	Profit for the period	7,515	16,440	261,856	579,436
Other comprehensive income (loss):					
<i>Item that are or may be reclassified to profit or loss</i>					
	Exchange differences on translating financial statements	4	(1,133)	139	(39,933)
	Translation adjustments	-	-	(159,606)	1,450,610
	Other comprehensive income (loss) for the period, net of income tax	4	(1,133)	(159,467)	1,410,677
	Total comprehensive income for the period	7,519	15,307	102,389	1,990,113

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Three-month period ended		Three-month period ended	
		30 September		30 September	
<i>Note</i>	2016	2015	2016	2015	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
Profit (loss) attributable to:					
Owners of the Company	7,489	16,491	260,950	581,234	
Non-controlling interests	26	(51)	906	(1,798)	
Profit for the period	<u>7,515</u>	<u>16,440</u>	<u>261,856</u>	<u>579,436</u>	
Total comprehensive income (loss) attributable to:					
Owners of the Company	7,493	15,413	101,483	1,993,850	
Non-controlling interests	26	(106)	906	(3,737)	
Total comprehensive income for the period	<u>7,519</u>	<u>15,307</u>	<u>102,389</u>	<u>1,990,113</u>	
Earnings per share					
	<i>(in US Dollar)</i>		<i>(in Baht)</i>		
Basic earnings per share	12	<u>0.0053</u>	<u>0.0117</u>	<u>0.1846</u>	<u>0.4113</u>

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
<i>Note</i>		2016	2015	2016	2015
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Income</i>					
	3	141,095	264,838	4,970,670	8,948,946
		300	151	10,556	5,040
		275	1,647	9,579	55,630
	3	280	198	9,876	6,674
		141,950	266,834	5,000,681	9,016,290
<i>Expenses</i>					
		115,445	235,169	4,070,626	7,923,290
	11	17,911	34,020	630,826	1,146,378
		2,587	2,550	91,225	86,128
		135,943	271,739	4,792,677	9,155,796
	5	9,776	22,273	345,660	751,210
		15,783	17,368	553,664	611,704
		741	(1,367)	26,520	(46,735)
		16,524	16,001	580,184	564,969
Other comprehensive income (loss):					
<i>Item that are or may be reclassified to profit or loss</i>					
		(2)	(1,492)	(82)	(51,764)
		-	-	(452,618)	1,893,890
		(2)	(1,492)	(452,700)	1,842,126
		16,522	14,509	127,484	2,407,095

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
<i>Note</i>	2016	2015	2016	2015	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Profit (loss) attributable to:					
Owners of the Company	16,500	16,271	579,359	573,984	
Non-controlling interests	24	(270)	825	(9,015)	
Profit for the period	<u>16,524</u>	<u>16,001</u>	<u>580,184</u>	<u>564,969</u>	
Total comprehensive income (loss) attributable to:					
Owners of the Company	16,498	14,851	126,659	2,418,609	
Non-controlling interests	24	(342)	825	(11,514)	
Total comprehensive income for the period	<u>16,522</u>	<u>14,509</u>	<u>127,484</u>	<u>2,407,095</u>	
Earnings per share					
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings per share	<i>12</i>	<u>0.0117</u>	<u>0.0115</u>	<u>0.4099</u>	<u>0.4061</u>
Diluted earnings per share	<i>12</i>		<u>0.0115</u>		<u>0.4061</u>

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Separate financial statements				
		Three-month period ended		Three-month period ended		
		30 September		30 September		
<i>Note</i>		2016	2015	2016	2015	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
<i>Income</i>						
	Management fee income (reduction)	3	(485)	480	(16,900)	16,918
	Interest income (reduction)	3	(178)	1,030	(6,202)	36,303
	Net gain on foreign exchange		3,209	-	111,816	-
	Other income	3	79	118	2,753	4,159
	Total income		2,625	1,628	91,467	57,380
<i>Expense</i>						
	Administrative expenses	11	1,084	1,394	37,772	49,131
	Net loss on foreign exchange		-	17,320	-	610,453
	Total expenses		1,084	18,714	37,772	659,584
	Profit (loss) before income tax (expense) benefit		1,541	(17,086)	53,695	(602,204)
	Income tax (expense) benefit		1	(512)	35	(18,046)
	Profit (loss) for the period		1,542	(17,598)	53,730	(620,250)
Other comprehensive income (loss)						
<i>Item that are or may be reclassified to profit or loss</i>						
	Translation adjustments		-	-	(188,138)	1,191,863
	Other comprehensive income (loss) for the period		-	-	(188,138)	1,191,863
	Total comprehensive income (loss) for the period		1,542	(17,598)	(134,408)	571,613
Earnings (losses) per share			<i>(in US Dollar)</i>		<i>(in Baht)</i>	
	Basic earnings (losses) per share	12	0.0011	(0.0125)	0.0380	(0.4389)

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Separate financial statements					
		Nine-month period ended 30 September		Nine-month period ended 30 September	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Income					
Management fee income	3	175	1,438	6,513	48,489
Interest income	3	2,632	3,231	93,344	108,836
Dividend income	3	-	6,150	-	202,671
Net gain on foreign exchange		9,175	-	324,447	-
Other income	3	308	359	10,875	12,101
Total income		12,290	11,178	435,179	372,097
Expense					
Administrative expenses	11	3,041	4,622	107,136	155,508
Net loss on foreign exchange		-	22,998	-	797,570
Total expenses		3,041	27,620	107,136	953,078
Profit (loss) before income tax expense		9,249	(16,442)	328,043	(580,981)
Income tax expense		(19)	(688)	(674)	(23,846)
Profit (loss) for the period		9,230	(17,130)	327,369	(604,827)
Other comprehensive income (loss)					
<i>Item that are or may be reclassified to profit or loss</i>					
Translation adjustments		-	-	(539,734)	1,565,553
Other comprehensive income (loss) for the period		-	-	(539,734)	1,565,553
Total comprehensive income (loss) for the period		9,230	(17,130)	(212,365)	960,726
Earnings (losses) per share					
		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings (losses) per share	12	0.0065	(0.0121)	0.2316	(0.4279)
Diluted losses per share	12		(0.0121)		(0.4279)

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements											
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity	
			Appropriated	Unappropriated	Currency translation differences	Share-based payment	Changes in ownership interests					
	Note											
<i>(in thousand US Dollar)</i>												
Nine-month period ended 30 September 2015												
Balance at 1 January 2015		47,322	422,563	4,503	90,278	2,637	28	(3,166)	(501)	564,165	1,769	565,934
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>												
Dividends to owners of the Company	13	-	-	-	(12,296)	-	-	-	-	(12,296)	-	(12,296)
Total distributions to owners of the Company		-	-	-	(12,296)	-	-	-	-	(12,296)	-	(12,296)
Total transactions with owners, recorded directly in equity		-	-	-	(12,296)	-	-	-	-	(12,296)	-	(12,296)
Comprehensive income (loss) for the period												
Profit or loss		-	-	-	16,271	-	-	-	-	16,271	(270)	16,001
Exchange differences on translating financial statements		-	-	-	-	(1,420)	-	-	(1,420)	(1,420)	(72)	(1,492)
Total comprehensive income (loss) for the period		-	-	-	16,271	(1,420)	-	-	(1,420)	14,851	(342)	14,509
Balance at 30 September 2015		47,322	422,563	4,503	94,253	1,217	28	(3,166)	(1,921)	566,720	1,427	568,147

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements											
		Issued and paid-up share capital	Premium on share capital	Retained earnings/(Deficit)		Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
				Appropriated	Deficit	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>												
Nine-month period ended 30 September 2016												
Balance at 1 January 2016		47,322	422,563	4,503	(151,031)	1,348	28	(3,166)	(1,790)	321,567	(528)	321,039
Comprehensive income (loss) for the period												
Profit or loss		-	-	-	16,500	-	-	-	-	16,500	24	16,524
Exchange differences on translating financial statements		-	-	-	-	(2)	-	-	(2)	(2)	-	(2)
Total comprehensive income (loss) for the period		-	-	-	16,500	(2)	-	-	(2)	16,498	24	16,522
Transfer premium on share capital to compensate for deficit	17	-	(79,027)	-	79,027	-	-	-	-	-	-	-
Transfer legal reserve to compensate for deficit	17	-	-	(4,503)	4,503	-	-	-	-	-	-	-
Balance at 30 September 2016		47,322	343,536	-	(51,001)	1,346	28	(3,166)	(1,792)	338,065	(504)	337,561

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements										
	Issued and paid-up <i>Note</i>	Premium on share capital	Retained earnings		Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
			Appropriated	Unappropriated	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand Baht)</i>											
Nine-month period ended 30 September 2015											
Balance at 1 January 2015	1,413,329	13,558,613	141,670	2,940,066	652,321	874	(111,483)	541,712	18,595,390	59,492	18,654,882
Transactions with owners, recorded											
directly in equity											
<i>Distributions to owners of the Company</i>											
Dividends to owners of the Company	<i>13</i>	-	-	(398,700)	-	-	-	-	(398,700)	-	(398,700)
Total distributions to owners of the Company	-	-	-	(398,700)	-	-	-	-	(398,700)	-	(398,700)
Total transactions with owners, recorded											
directly in equity	-	-	-	(398,700)	-	-	-	-	(398,700)	-	(398,700)
Comprehensive income (loss)											
for the period											
Profit or loss	-	-	-	573,984	-	-	-	-	573,984	(9,015)	564,969
Exchange differences on translating financial statements	-	-	-	-	1,844,625	-	-	1,844,625	1,844,625	(2,499)	1,842,126
Total comprehensive income (loss)											
for the period	-	-	-	573,984	1,844,625	-	-	1,844,625	2,418,609	(11,514)	2,407,095
Balance at 30 September 2015	1,413,329	13,558,613	141,670	3,115,350	2,496,946	874	(111,483)	2,386,337	20,615,299	47,978	20,663,277

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements											
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings/(Deficit)		Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Appropriated	Deficit	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand Baht)</i>												
Nine-month period ended 30 September 2016												
Balance at 1 January 2016		1,413,329	13,558,613	141,670	(5,558,241)	2,163,139	874	(111,483)	2,052,530	11,607,901	(22,053)	11,585,848
Comprehensive income (loss) for the period												
Profit or loss		-	-	-	579,359	-	-	-	-	579,359	825	580,184
Exchange differences on translating financial statements		-	-	-	-	(452,700)	-	-	(452,700)	(452,700)	-	(452,700)
Total comprehensive income (loss) for the period		-	-	-	579,359	(452,700)	-	-	(452,700)	126,659	825	127,484
Transfer premium on share capital to compensate for deficit	17	-	(1,286,935)	-	1,286,935	-	-	-	-	-	-	-
Transfer legal reserve to compensate for deficit	17	-	-	(141,670)	141,670	-	-	-	-	-	-	-
Balance at 30 September 2016		1,413,329	12,271,678	-	(3,550,277)	1,710,439	874	(111,483)	1,599,830	11,734,560	(21,228)	11,713,332

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements

	Note	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Retained earnings		Other components of equity	Total equity
					Appropriated	Unappropriated	Share-based payment	
Nine-month period ended 30 September 2015								
Balance at 1 January 2015		47,322	422,563	(7,406)	4,503	12,129	28	479,139
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	13	-	-	-	-	(12,296)	-	(12,296)
Total distributions to owners of the Company		-	-	-	-	(12,296)	-	(12,296)
Total transactions with owners, recorded directly in equity		-	-	-	-	(12,296)	-	(12,296)
Comprehensive loss for the period								
Profit or loss		-	-	-	-	(17,130)	-	(17,130)
Total comprehensive loss for the period		-	-	-	-	(17,130)	-	(17,130)
Balance at 30 September 2015		47,322	422,563	(7,406)	4,503	(17,297)	28	449,713

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements

	Note	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Retained earnings/(Deficit)		Other components of equity	Total equity
					Appropriated	Unappropriated / (Deficit)	Share-based payment	
Nine-month period ended 30 September 2016								
Balance at 1 January 2016		47,322	422,563	(7,406)	4,503	(83,454)	28	383,556
Comprehensive income for the period								
Profit or loss		-	-	-	-	9,230	-	9,230
Total comprehensive income for the period		-	-	-	-	9,230	-	9,230
Transfer premium on share capital to compensate for deficit	17	-	(79,027)	-	-	79,027	-	-
Transfer legal reserve to compensate for deficit	17	-	-	-	(4,503)	4,503	-	-
Balance at 30 September 2016		47,322	343,536	(7,406)	-	9,306	28	392,786

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements									
	Note	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Retained earnings		Other components of equity			
					Appropriated	Unappropriated	Currency translation differences	Share-based payment	Total other components of equity	Total equity
Nine-month period ended 30 September 2015										
Balance at 1 January 2015		1,413,329	13,558,613	(239,757)	141,670	436,857	482,272	874	483,146	15,793,858
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Dividends to owners of the Company	13	-	-	-	-	(398,700)	-	-	-	(398,700)
Total distributions to owners of the Company		-	-	-	-	(398,700)	-	-	-	(398,700)
Total transactions with owners, recorded directly in equity		-	-	-	-	(398,700)	-	-	-	(398,700)
Comprehensive income (loss) for the period										
Profit or loss		-	-	-	-	(604,827)	-	-	-	(604,827)
Exchange differences on translating financial statements		-	-	-	-	-	1,565,553	-	1,565,553	1,565,553
Total comprehensive income (loss) for the period		-	-	-	-	(604,827)	1,565,553	-	1,565,553	960,726
Balance at 30 September 2015		1,413,329	13,558,613	(239,757)	141,670	(566,670)	2,047,825	874	2,048,699	16,355,884

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements					Other components of equity			Total equity	
	Note	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Retained earnings/(Deficit)		Currency translation differences	Share-based payment		Total other components of equity
					Appropriated	Deficit				
<i>(in thousand Baht)</i>										
Nine-month period ended 30 September 2016										
Balance at 1 January 2016		1,413,329	13,558,613	(239,757)	141,670	(2,912,853)	1,880,123	874	1,880,997	13,841,999
Comprehensive income (loss) for the period										
Profit or loss		-	-	-	-	327,369	-	-	-	327,369
Exchange differences on translating financial statements		-	-	-	-	-	(539,734)	-	(539,734)	(539,734)
Total comprehensive income (loss) for the period		-	-	-	-	327,369	(539,734)	-	(539,734)	(212,365)
Transfer premium on share capital to compensate for deficit	17	-	(1,286,935)	-	-	1,286,935	-	-	-	-
Transfer legal reserve to compensate for deficit	17	-	-	-	(141,670)	141,670	-	-	-	-
Balance at 30 September 2016		1,413,329	12,271,678	(239,757)	-	(1,156,879)	1,340,389	874	1,341,263	13,629,634

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements			
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Profit for the period	16,524	16,001	580,184	564,969
<i>Adjustments for:</i>				
Depreciation	15,554	21,703	548,426	731,788
Amortisation	1,638	1,756	57,766	59,210
Interest income	(300)	(151)	(10,556)	(5,040)
Finance costs	2,587	2,550	91,225	86,128
Bad and doubtful debts expense (reversal)	(133)	55	(4,847)	2,000
Gains on disposals of property, plant and equipment and intangible assets	(28)	(17)	(987)	(571)
Impairment loss on property, plant and equipment reversal	(50)	-	(1,783)	-
Non-refundable withholding tax	2,931	6,770	103,458	228,273
Unrealised gain on exchange rates	(272)	(570)	(9,422)	(19,220)
Employee benefit obligations	773	129	27,300	4,350
Share of profit of investments in associates and joint venture, net of income tax	(9,776)	(22,273)	(345,660)	(751,210)
Income tax expense (benefit)	(741)	1,367	(26,520)	46,735
Cash flows from operations before changes in operating assets and liabilities	28,707	27,320	1,008,584	947,412
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institution	(1,727)	(1,848)	(59,927)	(67,211)
Trade accounts receivable	40,224	(34,594)	1,395,769	(1,258,170)
Other receivables	(4,918)	1,210	(170,654)	44,007
Supplies and spare parts	529	(65)	18,356	(2,364)
Other non-current assets	81	186	2,811	6,765
Trade accounts payable	(7,154)	(1,314)	(248,243)	(47,790)
Other payables	(10,765)	15,438	(373,544)	561,474
Exchange rate (gains) losses from translating financial statements	(2)	(1,492)	(88,382)	242,886
Cash generated from operating activities	44,975	4,841	1,484,770	427,009
Finance costs paid	(2,514)	(2,477)	(88,652)	(83,520)
Employee benefits paid	(110)	(321)	(3,909)	(10,824)
Income tax paid	(3,129)	(5,001)	(111,116)	(168,625)
Net cash from (used in) operating activities	39,222	(2,958)	1,281,093	164,040

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated financial statements			
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>				
Interest received	221	168	7,669	6,110
Increase in short-term deposit at financial institution	(27,950)	-	(969,862)	-
Dividends received from associates	6,752	6,752	234,294	227,666
Payment for share purchase consideration payable	-	(1,739)	-	(63,247)
Proceeds from disposals of property, plant and equipment and intangible assets	65	175	2,255	6,364
Payment for purchases of property, plant and equipment and intangible assets	(4,115)	(22,992)	(142,790)	(836,210)
Net cash used in investing activities	(25,027)	(17,636)	(868,434)	(659,317)
<i>Cash flows from financing activities</i>				
Dividends paid to shareholders	-	(12,296)	-	(398,700)
Finance lease payments	(28)	(31)	(972)	(1,127)
Proceeds from short-term loans from financial institution	-	7,989	-	290,557
Repayment of short-term loans from financial institutions	(3,613)	(2,479)	(125,371)	(90,155)
Repayment of long-term loans from financial institutions	(8,250)	(6,250)	(286,274)	(227,310)
Net cash used in financing activities	(11,891)	(13,067)	(412,617)	(426,735)
Net increase (decrease) in cash and cash equivalents	2,304	(33,661)	42	(922,012)
Cash and cash equivalents at 1 January	57,411	89,408	2,071,883	2,947,156
Effects of exchange rates	192	(887)	6,842	(29,908)
Cash and cash equivalents at 30 September	59,907	54,860	2,078,767	1,995,236
<i>Non-cash transactions</i>				
Receivables for sales of property, plant and equipment and intangible assets	20	22	694	800
Payables for purchase of property, plant and equipment and intangible assets	363	1,200	12,596	43,644
Finance lease agreements for purchases of equipment	16	49	555	1,782

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Separate financial statements			
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	9,230	(17,130)	327,369	(604,827)
<i>Adjustments for:</i>				
Depreciation	271	337	9,558	11,363
Amortisation	23	25	811	843
Interest income	(2,632)	(3,231)	(93,344)	(108,836)
Dividend income	-	(6,150)	-	(202,671)
Bad and doubtful debts expense	44	-	1,550	-
Gains on disposal of property, plant and equipment and intangible assets	(11)	-	(389)	-
Unrealised (gains) losses on exchange rates	(9,277)	22,974	(328,055)	774,643
Employee benefit obligations	14	20	493	674
Income tax expense	19	688	674	23,846
Cash flows used in operations before changes in operating assets and liabilities	(2,319)	(2,467)	(81,333)	(104,965)
<i>Changes in operating assets and liabilities</i>				
Receivables from related parties	5	(19,331)	173	(703,060)
Other receivables	(21)	38	(729)	1,382
Other non-current assets	4	-	139	-
Other payables	(227)	(441)	(7,876)	(16,038)
Exchange rate (gains) losses from translating financial statements	-	-	(30,648)	182,810
Cash used in operating activities	(2,558)	(22,201)	(120,274)	(639,871)
Income tax paid	(728)	(1,106)	(25,707)	(37,292)
Net cash used in operating activities	(3,286)	(23,307)	(145,981)	(677,163)
<i>Cash flows from investing activities</i>				
Dividends received from a subsidiary	9,600	6,150	333,119	202,671
Interest received	183	143	6,350	5,201
Increase in short-term deposit at financial institution	(27,950)	-	(969,862)	-
Short-term loans received from related parties	11,900	2,396	412,929	87,187
Short-term loans provided to related parties	-	(7,069)	-	(257,097)
Proceeds from disposals of property, plant and equipment and intangible assets	12	-	416	-
Payment for purchases of property, plant and equipment and intangible assets	(4)	(52)	(139)	(1,891)
Net cash from (used in) investing activities	(6,259)	1,568	(217,187)	36,071

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Separate financial statements			
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>				
Dividends paid to shareholders	-	(12,296)	-	(398,700)
Proceeds from short-term loans from related parties	6,800	-	235,959	-
Net cash from (used in) financing activities	6,800	(12,296)	235,959	(398,700)
Net increase (decrease) in cash and cash equivalents	(2,745)	(34,035)	(127,209)	(1,039,792)
Cash and cash equivalents at 1 January	22,990	58,232	829,677	1,919,501
Effects of exchange rates	37	(123)	1,316	(4,147)
Cash and cash equivalents at 30 September	20,282	24,074	703,784	875,562
<i>Non-cash transactions</i>				
Amount due from disposal of investment in associates				
under common control transaction	84,487	79,729	2,931,690	2,899,712
Dividends receivable	-	9,600	-	349,148

The accompanying notes are an integral part of these financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

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Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 14 November 2016.

1 General information

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

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

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

Details of the Company’s subsidiaries, associates, and joint venture as at 30 September 2016 and 31 December 2015 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			30 September 2016	31 December 2015
<i>Subsidiaries</i>				
Mermaid Subsea Services (Thailand) Ltd., which has four subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Thailand	100.0	100.0
Seascope Surveys (Thailand) Ltd.	Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry	Thailand	100.0	100.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	”	Singapore	100.0	100.0
PT Seascope Surveys Indonesia*	”	Indonesia	49.0	49.0
Mermaid Offshore Services Pte. Ltd.	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Production and exploration drilling services	Thailand	95.0	95.0
MTR - 1 Ltd.	Drilling services	Thailand	95.0	95.0
MTR - 2 Ltd.	”	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	”	Malaysia	95.0	95.0
MTR - 1 (Singapore) Pte. Ltd.	”	Singapore	95.0	95.0
MTR - 2 (Singapore) Pte. Ltd.**	”	Singapore	-	95.0

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			30	31
			September 2016	December 2015
Mermaid Drilling (Singapore) Pte. Ltd.	Production and exploration drilling services	Singapore	100.0	100.0
MTR - 3 (Singapore) Pte. Ltd.	"	Singapore	100.0	100.0
MTR - 4 (Singapore) Pte. Ltd.	"	Singapore	100.0	100.0
Mermaid MTN Pte. Ltd.**	"	Singapore	-	100.0
Mermaid Maritime Mauritius Ltd., which has one subsidiary as follows:	Investment holding	Mauritius	100.0	100.0
Mermaid International Ventures, which has three subsidiaries and four associates as follows:	"	Cayman	100.0	100.0
<i>Subsidiaries</i>				
Mermaid Subsea Services (International) Ltd., which has two subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Seychelles	100.0	100.0
Subtech Saudi Arabia Limited	"	Saudi Arabia	95.0	95.0
Mermaid Subsea Services LLC*	"	Qatar	49.0	49.0
<i>Associates</i>				
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Drilling services	Bermuda	33.76	33.76
Asia Offshore Rig 1 Limited	"	Bermuda	33.76	33.76
Asia Offshore Rig 2 Limited	"	Bermuda	33.76	33.76
Asia Offshore Rig 3 Limited	"	Bermuda	33.76	33.76
<i>Joint venture</i>				
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00

* Group interest is 100% after taking account of nominee holdings.

** Seascope Surveys (Thailand) Ltd., MTR - 2 (Singapore) Pte. Ltd. and Mermaid MTN Pte. Ltd. has been registered for the liquidation.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP).

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in Note 19.

(b) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The interim consolidated financial statements are stated in US Dollar, which is the Company's functional currency, and Thai Baht, which is the Company's designated presentation currency and accordingly the Company has prepared financial statements in both US Dollar and Thai Baht. All financial information presented in US Dollar and Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for year ended 31 December 2015.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in Note 14 - financial instruments.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationship
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
Thoresen & Company (Bangkok) Limited	Thailand	99.9% holding by a subsidiary of ultimate parent company
Unique Mining Services Public Company Limited	Thailand	90.11% holding by a subsidiary of ultimate parent company
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rendering of services	Prices normally charged to a third party
Management fee income	Actual cost plus margin
Interest income and interest expenses	Market linked rate/Borrowing costs of the lender
Rental income	Actual cost plus margin
Other income	Actual cost plus margin
Other administrative expenses	Actual cost plus margin
Management benefit expenses	Amount approved by the directors and/or the shareholders
Dividend income	Right to receive dividends

Significant transactions for the three-month and nine-month periods ended 30 September 2016 and 2015 with related parties were as follows:

<i>Three-month period ended 30 September</i>	Consolidated financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Parent				
Rental income	10	10	348	352
Other administrative expenses	24	19	836	670
Joint venture				
Revenue from rendering of services	18,059	21,406	629,255	754,466
Other related parties				
Other administrative expenses	1	3	35	106
Key management personnel compensation				
Short-term employee benefits	170	231	5,924	8,142
Post-employment benefits and other long-term benefits	-	-	11	10
Total key management personnel compensation	170	231	5,935	8,152

<i>Nine-month period ended 30 September</i>	Consolidated financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Parent				
Rental income	30	32	1,058	1,077
Other administrative expenses	71	44	2,503	1,494
Joint venture				
Revenue from rendering of services	59,080	56,991	2,084,367	1,927,159
Other related parties				
Other administrative expenses	1	3	35	106
Key management personnel compensation				
Short-term employee benefits	525	692	18,519	23,334
Post-employment benefits and other long-term benefits	-	-	33	30
Total key management personnel compensation	525	692	18,552	23,364

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<i>Three-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Parent				
Rental income	10	10	348	352
Other administrative expenses	24	9	836	317
Subsidiaries				
Management fee income (reduction)	(485)	480	(16,900)	16,918
Interest income (reduction)	(302)	1,002	(10,523)	35,316
Rental income	51	90	1,777	3,172
Other income	17	18	592	634
Other administrative expenses	4	6	139	211
Other related parties				
Other administrative expenses	1	3	35	106
Key management personnel compensation				
Short-term employee benefits	123	136	4,286	4,793
Post-employment benefits and other long-term benefits	-	-	11	10
Total key management personnel compensation	123	136	4,297	4,803

<i>Nine-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Parent				
Rental income	30	32	1,058	1,077
Other administrative expenses	71	10	2,503	350
Subsidiaries				
Dividend income	-	6,150	-	202,671
Management fee income	175	1,438	6,513	48,489
Interest income	2,381	3,105	84,523	104,620
Rental income	214	270	7,559	9,104
Other income	50	54	1,763	1,820
Other administrative expenses	45	14	1,586	475
Other related parties				
Other administrative expenses	1	3	35	106
Key management personnel compensation				
Short-term employee benefits	365	428	12,872	14,416
Post-employment benefits and other long-term benefits	-	-	33	30
Total key management personnel compensation	365	428	12,905	14,446

During the three-month period ended 30 September 2016, the Company completed its re-assessment of related party transaction prices against their respective pricing policies. As a result, effective from 1 January 2016, the Company reduced management fee rate and reduced interest rate charged on short-term loans to related parties to reflect the reduced actual cost incurred by the Company.

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Balances as at 30 September 2016 and 31 December 2015 with related parties were as follows:

	Consolidated financial statements			
	30 September 2016 <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 <i>(in thousand Baht)</i>	31 December 2015
Trade accounts receivable from related parties				
Joint venture	29,547	43,966	1,025,278	1,586,671
Total	29,547	43,966	1,025,278	1,586,671
Receivables from related parties				
Parent	3	3	104	108
Total	3	3	104	108
Dividends receivable				
Associates	-	6,752	-	243,670
Total	-	6,752	-	243,670
Payables to related parties				
Parent	8	8	278	289
Total	8	8	278	289
Separate financial statements				
	30 September 2016 <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 <i>(in thousand Baht)</i>	31 December 2015
Receivables from related parties				
Parent	3	3	104	108
Subsidiaries	61,381	58,727	2,129,915	2,119,375
Subsidiaries - transferred investments in associates under common control	84,487	80,341	2,931,690	2,899,394
Total	145,871	139,071	5,061,709	5,018,877
Less allowance for doubtful account	(5,956)	(5,956)	(206,673)	(214,943)
Net	139,915	133,115	4,855,036	4,803,934
Short-term loans to related parties				
Subsidiaries	122,882	130,008	4,263,993	4,691,807
Total	122,882	130,008	4,263,993	4,691,807
Dividends receivable				
Subsidiaries	-	9,600	-	346,451
Total	-	9,600	-	346,451

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	Separate financial statements			
	30 September 2016 <i>(in thousand US Dollar)</i>	31 December 2015 <i>(in thousand US Dollar)</i>	30 September 2016 <i>(in thousand Baht)</i>	31 December 2015 <i>(in thousand Baht)</i>
<i>Payables to related parties</i>				
Parent	8	8	278	289
Subsidiaries	35,361	35,364	1,227,023	1,276,237
Total	<u>35,369</u>	<u>35,372</u>	<u>1,227,301</u>	<u>1,276,526</u>
<i>Short-term loans from related parties</i>				
Subsidiary	6,800	-	235,959	-
Total	<u>6,800</u>	<u>-</u>	<u>235,959</u>	<u>-</u>

Movements of short-term loans to related parties, excluding interest receivable from related parties, during the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015 <i>(in thousand US Dollar)</i>	2016 <i>(in thousand Baht)</i>	2015 <i>(in thousand Baht)</i>
<i>Subsidiaries</i>				
At 1 January	130,008	136,507	4,691,807	4,499,680
Increases	-	7,069	-	257,097
Decreases	(11,858)	(2,413)	(411,471)	(87,760)
Realised gains (losses) on exchange rates	(42)	17	(1,458)	573
Unrealised gains (losses) on exchange rates	4,774	(12,087)	168,803	(407,553)
Translation adjustments	-	-	(183,688)	433,024
At 30 September	<u>122,882</u>	<u>129,093</u>	<u>4,263,993</u>	<u>4,695,061</u>

Movements of short-term loans from related parties during the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015 <i>(in thousand US Dollar)</i>	2016 <i>(in thousand Baht)</i>	2015 <i>(in thousand Baht)</i>
<i>Subsidiary</i>				
At 1 January	-	-	-	-
Increase	6,800	-	239,627	-
Translation adjustments	-	-	(3,668)	-
At 30 September	<u>6,800</u>	<u>-</u>	<u>235,959</u>	<u>-</u>

All short-term loans to and from related parties are unsecured and have repayment terms at call.

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4 Trade accounts receivable

	Consolidated financial statements				
	<i>Note</i>	30 September 2016 <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 <i>(in thousand Baht)</i>	31 December 2015
Joint venture	3	29,547	43,966	1,025,278	1,586,671
Other parties		36,767	62,692	1,275,811	2,262,467
Accrued income		8,435	8,315	292,694	300,077
Total		74,749	114,973	2,593,783	4,149,215
Less allowance for doubtful accounts		(55)	(188)	(1,908)	(6,785)
Net		74,694	114,785	2,591,875	4,142,430
		<i>2016</i> <i>(in thousand US Dollar)</i>	<i>2015</i>	<i>2016</i> <i>(in thousand Baht)</i>	<i>2015</i>
Bad and doubtful debts expense (reversal) for the three-month and nine-month periods ended 30 September		(133)	55	(4,847)	2,000

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements			
	30 September 2016 <i>(in thousand US Dollar)</i>	31 December 2015	30 September 2016 <i>(in thousand Baht)</i>	31 December 2015
Within credit terms	39,847	37,717	1,382,687	1,361,154
Overdue:				
Less than 3 months	26,885	56,930	932,907	2,054,524
3-6 months	3,751	18,619	130,159	671,934
6-12 months	983	1,286	34,110	46,410
Over 12 months	3,283	421	113,920	15,193
	74,749	114,973	2,593,783	4,149,215
Less allowance for doubtful accounts	(55)	(188)	(1,908)	(6,785)
	74,694	114,785	2,591,875	4,142,430

The normal credit terms granted by the Group ranges from 30 days to 90 days.

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5 Investments in associates and joint venture

<i>Nine-month period ended 30 September</i>	Consolidated financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Associates				
At 1 January	73,721	138,248	2,660,488	4,557,069
Share of net profits of associates	8,945	21,581	316,339	727,967
Dividend income	-	(6,752)	-	(227,666)
Translation adjustments	-	-	(108,325)	509,979
At 30 September	82,666	153,077	2,868,502	5,567,349
Joint venture				
At 1 January	1,076	415	38,831	13,680
Share of net profit of joint venture	831	692	29,321	23,243
Translation adjustments	-	-	(1,979)	3,338
At 30 September	1,907	1,107	66,173	40,261
Total				
At 1 January	74,797	138,663	2,699,319	4,570,749
Share of net profits of associates and joint venture	9,776	22,273	345,660	751,210
Dividend income	-	(6,752)	-	(227,666)
Translation adjustments	-	-	(110,304)	513,317
At 30 September	84,573	154,184	2,934,675	5,607,610
<i>Nine-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015	2016 <i>(in thousand Baht)</i>	2015
Joint venture				
At 1 January	213	213	7,687	7,021
Translation adjustments	-	-	(296)	726
At 30 September	213	213	7,391	7,747

During the nine-month period ended 30 September 2016 there were no acquisitions and disposals of investments in associates and joint venture.

On 27 February 2015, the Group's associate declared dividends of US Dollar 0.33 per share, which totalled US Dollar 6.75 million attributable to the Group. The Group's associate made payment to the Group on 4 March 2015.

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Investments in associates and joint venture as at 30 September 2016 and 31 December 2015, and dividend income from those investments for the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month period ended		
			30	31	30	31	30	31	30	31	30	30	
			September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	September 2015	
			(%)						<i>(in thousand US Dollar)</i>				
Associates													
Group of AOD Companies ^(A)													
	Drilling services	Bermuda	33.76	33.76	USD 60 million	USD 60 million	97,582	97,582	82,666	73,721	-	6,752	
							<u>97,582</u>	<u>97,582</u>	<u>82,666</u>	<u>73,721</u>	<u>-</u>	<u>6,752</u>	
Joint venture													
	Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	1,907	1,076	-	-
							<u>213</u>	<u>213</u>	<u>1,907</u>	<u>1,076</u>	<u>-</u>	<u>-</u>	
Total							<u>97,795</u>	<u>97,795</u>	<u>84,573</u>	<u>74,797</u>	<u>-</u>	<u>6,752</u>	

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	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month period ended		
			30	31	30	31	30	31	30	31	30	30	
			September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	September 2015	
			(%)						(in thousand Baht)				
Associates													
Group of AOD Companies ^(A)													
	Drilling services	Bermuda	33.76	33.76	USD 60 million	USD 60 million	3,386,086	3,521,598	2,868,502	2,660,488	-	227,666	
							<u>3,386,086</u>	<u>3,521,598</u>	<u>2,868,502</u>	<u>2,660,488</u>	<u>-</u>	<u>227,666</u>	
Joint venture													
	Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	7,391	7,687	66,173	38,831	-	-
							<u>7,391</u>	<u>7,687</u>	<u>66,173</u>	<u>38,831</u>	<u>-</u>	<u>-</u>	
Total							<u>3,393,477</u>	<u>3,529,285</u>	<u>2,934,675</u>	<u>2,699,319</u>	<u>-</u>	<u>227,666</u>	

^(A) Group of AOD companies comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

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6 Investments in subsidiaries

<i>Nine-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015 <i>(in thousand US Dollar)</i>	2016 <i>(in thousand Baht)</i>	2015 <i>(in thousand Baht)</i>
At 1 January	122,177	184,273	4,409,197	6,074,191
Translation adjustments	-	-	(169,667)	627,744
At 30 September	<u>122,177</u>	<u>184,273</u>	<u>4,239,530</u>	<u>6,701,935</u>

During the nine-month period ended 30 September 2016 there were no acquisitions and disposals of investments in subsidiaries.

On 30 September 2016, Mermaid MTN Pte. Ltd., a direct subsidiary of the Company, submitted a request to the Accounting and Corporate Regulatory Authority to be struck off the register.

On 30 September 2016, MTR-2 (Singapore) Pte. Ltd., an indirect subsidiary of the Company, submitted a request to the Accounting and Corporate Regulatory Authority to be struck off the register.

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Investments in subsidiaries as at 30 September 2016 and 31 December 2015, and dividend income from those investments for the nine-month periods ended 30 September 2016 and 2015 were as follows:

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the nine-month period ended	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,930 million	THB 2,930 million	83,343	83,343	-	-	83,343	83,343	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	14,074	14,074	(10,600)	(10,600)	3,474	3,474	-	-
Mermaid Drilling (Singapore) Pte. Ltd.	USD 51 million	USD 51 million	51,000	51,000	(15,640)	(15,640)	35,360	35,360	-	-
MTR - 3 (Singapore) Pte. Ltd.	USD 22 million	USD 22 million	22,000	22,000	(22,000)	(22,000)	-	-	-	-
MTR - 4 (Singapore) Pte. Ltd.	USD 22 million	USD 22 million	22,000	22,000	(22,000)	(22,000)	-	-	-	-
Mermaid MTN Pte. Ltd.	-	SGD 100	-	-	-	-	-	-	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	6,150
Total			192,417	192,417	(70,240)	(70,240)	122,177	122,177	-	6,150

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the nine-month period ended	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
Indirect subsidiaries										
Seascope Surveys (Thailand) Ltd.	THB 34 million	THB 34 million	840	840	(807)	(807)	33	33	-	-
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	14,268	14,268	(10,263)	(10,263)	4,005	4,005	-	-
PT Seascope Surveys Indonesia	IDR 7,328 million	IDR 7,328 million	200	200	-	-	200	200	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	20,400	20,400	(20,400)	(20,400)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	6,255	6,255	(6,255)	(6,255)	-	-	-	-
MTR - 2 Ltd.	THB 350 million	THB 350 million	8,334	8,334	(5,705)	(5,705)	2,629	2,629	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	164	164	(164)	(164)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	USD 40 thousand	USD 40 thousand	40	40	-	-	40	40	-	-
MTR - 2 (Singapore) Pte. Ltd.	-	USD 1	-	-	-	-	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	-	-	-	-	-	-	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	7,586	7,586	-	-	7,586	7,586	-	-
Subtech Saudi Arabia Limited	SAR 500 thousand	SAR 500 thousand	386	386	-	-	386	386	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	55	55	-	-	55	55	-	-
Total			58,528	58,528	(43,594)	(43,594)	14,934	14,934	-	-

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the nine-month period ended	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,930 million	THB 2,930 million	2,891,994	3,007,730	-	-	2,891,994	3,007,730	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	488,366	507,911	(367,819)	(382,539)	120,547	125,372	-	-
Mermaid Drilling (Singapore) Pte. Ltd.	USD 51 million	USD 51 million	1,769,695	1,840,519	(542,706)	(564,427)	1,226,989	1,276,092	-	-
MTR - 3 (Singapore) Pte. Ltd.	USD 22 million	USD 22 million	763,398	793,949	(763,398)	(793,949)	-	-	-	-
MTR - 4 (Singapore) Pte. Ltd.	USD 22 million	USD 22 million	763,398	793,949	(763,398)	(793,949)	-	-	-	-
Mermaid MTN Pte. Ltd.	-	SGD 100	-	3	-	-	-	3	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	202,671
Total			<u>6,676,851</u>	<u>6,944,061</u>	<u>(2,437,321)</u>	<u>(2,534,864)</u>	<u>4,239,530</u>	<u>4,409,197</u>	<u>-</u>	<u>202,671</u>

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the nine-month period ended	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
Indirect subsidiaries										
Seascope Surveys (Thailand) Ltd.	THB 34 million	THB 34 million	29,148	30,314	(28,003)	(29,124)	1,145	1,190	-	-
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	495,098	514,912	(356,125)	(370,377)	138,973	144,535	-	-
PT Seascope Surveys Indonesia	IDR 7,328 million	IDR 7,328 million	6,940	7,218	-	-	6,940	7,218	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	707,878	736,207	(707,878)	(736,207)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	217,048	225,734	(217,048)	(225,734)	-	-	-	-
MTR - 2 Ltd.	THB 350 million	THB 350 million	289,189	300,762	(197,963)	(205,885)	91,226	94,877	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	5,691	5,919	(5,691)	(5,919)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	USD 40 thousand	USD 40 thousand	1,388	1,444	-	-	1,388	1,444	-	-
MTR - 2 (Singapore) Pte. Ltd.	-	USD 1	-	-	-	-	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	3	3	-	-	3	3	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	263,233	273,768	-	-	263,233	273,768	-	-
Subtech Saudi Arabia Limited	SAR 500 thousand	SAR 500 thousand	13,394	13,930	-	-	13,394	13,930	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	1,908	1,985	-	-	1,908	1,985	-	-
Total			2,030,918	2,112,196	(1,512,708)	(1,573,246)	518,210	538,950	-	-

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7 Property, plant and equipment

7.1) Acquisitions and disposals of property, plant and equipment during the nine-month period ended 30 September 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	(in thousand US Dollar)	(in thousand Baht)	(in thousand US Dollar)	(in thousand Baht)
<i>Net book value</i>				
At 1 January 2016	214,262	7,732,416	205	7,398
Additions	3,970	137,759	-	-
Disposals	(34)	(1,180)	-	-
Write-off	(7)	(243)	-	-
Depreciation	(15,494)	(546,311)	(59)	(2,083)
Impairment loss reversed	50	1,783	-	-
Translation adjustments	-	(288,924)	-	(249)
At 30 September 2016	202,747	7,035,300	146	5,066

7.2) As at 30 September 2016, the Group's property, plant and equipment with a net book value of US Dollar 138.5 million (31 December 2015: US Dollar 145.1 million) were registered to secure short-term and long-term facilities with financial institutions.

7.3) As at 30 September 2016, as a result of a loan agreement with a financial institution, the Group's property, plant and equipment with a net book value of US Dollar 2.3 million (31 December 2015: US Dollar 2.5 million) were restricted over entering into any transaction, unless prior written consent is given by the financial institution.

8 Short-term loans from financial institution

Movements during the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated financial statements			
	2016 (in thousand US Dollar)	2015	2016 (in thousand Baht)	2015
At 1 January	3,613	-	130,388	-
Increase	-	7,989	-	290,557
Repayments	(3,613)	(2,477)	(125,371)	(90,088)
Realised losses on exchange rates	-	(2)	-	(67)
Translation adjustments	-	-	(5,017)	(6)
At 30 September	-	5,510	-	200,396

Short-term loans for working capital were granted by a local commercial bank in Qatar. The loans bear interest at a fixed rate, were denominated in Qatari Riyal, and are guaranteed by another subsidiary within the Group.

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9 Long-term loans from financial institutions

	Consolidated financial statements			
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current portion	95,603	103,770	3,317,415	3,744,914
Total	95,603	103,770	3,317,415	3,744,914

Movements during the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
At 1 January	103,770	112,660	3,744,914	3,713,612
Repayments	(8,250)	(6,250)	(286,274)	(227,310)
Amortisation to profit and loss (front end fee)	83	83	2,928	2,799
Translation adjustments	-	-	(144,153)	384,007
At 30 September	95,603	106,493	3,317,415	3,873,108

Long-term loans for the purchase of support vessels were granted by commercial banks and were denominated in US Dollar, having a total outstanding balance of US Dollar 96.1 million as at 30 September 2016 (31 December 2015: US 104.4 million) with repayment terms within 8 to 10 years. These loans bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 7 and are guaranteed by the Company.

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

Breach of loan covenants

As at 31 December 2015, a subsidiary as the borrower had breached certain loan covenants. According to Thai Accounting Standard No. 1 (Revised 2015) - Presentation of Financial Statements, the entity has to present the liability as current if an entity has breached an undertaking under a long-term loan agreement on or before the reporting date, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to US Dollar 83.7 million (equivalent to Baht 2,904.4 million) was presented as current liabilities as of 30 September 2016.

Management believes the banks will not request immediate repayment of the loans unless there is a default in scheduled principal or interest payments.

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10 Segment information

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

Business segments

The Group comprises the following main business segments:

Segment 1	Subsea group
Segment 2	Drilling group
Segment 3	Holding

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2016 and 2015 were as follows:

Consolidated financial statements

For the three-month period ended 30 September 2016

Subsea group	Drilling group	Holding	Total	Elimination	Group	
		<i>(in thousand US Dollar)</i>				
Revenue from rendering of services	51,852	-	-	51,852	-	51,852
Operating profit (loss)	6,069	(162)	333	6,240	204	6,444
Share of profit of investments in associates and joint venture	82	-	1,960	2,042	-	2,042
Finance costs	(660)	-	-	(660)	(204)	(864)
Income tax (expense) benefit	(109)	-	2	(107)	-	(107)
Profit (loss) for the period	<u>5,382</u>	<u>(162)</u>	<u>2,295</u>	<u>7,515</u>	<u>-</u>	<u>7,515</u>

Consolidated financial statements

For the three-month period ended 30 September 2015

Subsea group	Drilling group	Holding	Total	Elimination	Group	
		<i>(in thousand US Dollar)</i>				
Revenue from rendering of services	96,599	-	-	96,599	(2)	96,597
Operating profit (loss)	22,746	(1,051)	(10,938)	10,757	(180)	10,577
Share of profit of investments in associates and joint venture	192	-	7,321	7,513	-	7,513
Finance costs	(1,091)	-	-	(1,091)	177	(914)
Income tax (expense) benefit	(16)	12	(732)	(736)	-	(736)
Profit (loss) for the period	<u>21,831</u>	<u>(1,039)</u>	<u>(4,349)</u>	<u>16,443</u>	<u>(3)</u>	<u>16,440</u>

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Subsea group	Drilling Group	Holding	Total	Elimination	Group	
		<i>(in thousand Baht)</i>				
Revenue from rendering of services	1,806,752	-	-	1,806,752	-	1,806,752
Operating profit (loss)	211,472	(5,645)	11,603	217,430	7,108	224,538
Share of profit of investments in associates and joint venture	2,857	-	68,295	71,152	-	71,152
Finance costs	(22,998)	-	-	(22,998)	(7,108)	(30,106)
Income tax (expense) benefit	(3,798)	-	70	(3,728)	-	(3,728)
Profit (loss) for the period	187,533	(5,645)	79,968	261,856	-	261,856

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Subsea group	Drilling group	Holding	Total	Elimination	Group	
		<i>(in thousand Baht)</i>				
Revenue from rendering of services	3,404,684	-	-	3,404,684	(70)	3,404,614
Operating profit (loss)	801,694	(37,043)	(385,516)	379,135	(6,344)	372,791
Share of profit of investments in associates and joint venture	6,767	-	258,033	264,800	-	264,800
Finance costs	(38,452)	-	-	(38,452)	6,238	(32,214)
Income tax (expense) benefit	(564)	423	(25,800)	(25,941)	-	(25,941)
Profit (loss) for the period	769,445	(36,620)	(153,283)	579,542	(106)	579,436

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Subsea group	Drilling group	Holding	Total	Elimination	Group	
	<i>(in thousand US Dollar)</i>					
Revenue from rendering of services	141,095	-	-	141,095	-	141,095
Operating profit (loss)	5,798	(285)	3,299	8,812	(218)	8,594
Share of profit of investments in associates and joint venture	831	-	8,945	9,776	-	9,776
Finance costs	(2,671)	-	(133)	(2,804)	217	(2,587)
Income tax benefit	4	1	736	741	-	741
Profit (loss) for the period	3,962	(284)	12,847	16,525	(1)	16,524
Total assets as at 30 September 2016	358,907	39,147	444,137	842,191	(355,290)	486,901
Total liabilities as at 30 September 2016	325,828	6,545	48,452	380,825	(231,485)	149,340

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	Subsea Group	Drilling group	Holding	Total	Elimination	Group
			<i>(in thousand US Dollar)</i>			
Revenue from rendering of services	264,813	54	-	264,867	(29)	264,838
Operating profit (loss)	19,385	(5,416)	(15,797)	(1,828)	(527)	(2,355)
Share of profit of investments in associates and joint venture	692	-	21,581	22,273	-	22,273
Finance costs	(3,076)	-	-	(3,076)	526	(2,550)
Income tax expense	(14)	(19)	(1,334)	(1,367)	-	(1,367)
Profit (loss) for the period	16,987	(5,435)	4,450	16,002	(1)	16,001
Total assets as at 31 December 2015	244,465	36,969	484,077	765,511	(265,706)	499,805
Total liabilities as at 31 December 2015	357,973	6,566	49,568	414,107	(235,341)	178,766

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	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand Baht)</i>					
Revenue from rendering of services	4,970,670	-	-	4,970,670	-	4,970,670
Operating profit (loss)	199,816	(10,211)	117,473	307,078	(7,849)	299,229
Share of profit of investments in associates and joint venture	29,321	-	316,339	345,660	-	345,660
Finance costs	(94,346)	-	(4,692)	(99,038)	7,813	(91,225)
Income tax benefit	230	36	26,254	26,520	-	26,520
Profit (loss) for the period	135,021	(10,175)	455,374	580,220	(36)	580,184
Total assets as at 30 September 2016	12,454,037	1,358,397	15,411,509	29,223,943	(12,328,527)	16,895,416
Total liabilities as at 30 September 2016	11,306,199	227,111	1,681,280	13,214,590	(8,032,506)	5,182,084

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	<u>Subsea group</u>	<u>Drilling group</u>	<u>Holding</u>	<u>Total</u>	<u>Elimination</u>	<u>Group</u>
	<i>(in thousand Baht)</i>					
Revenue from rendering of services	8,948,126	1,780	-	8,949,906	(960)	8,948,946
Operating profit (loss)	690,933	(180,889)	(545,643)	(35,599)	(17,779)	(53,378)
Share of profit of investments in associates and joint venture	23,243	-	727,967	751,210	-	751,210
Finance costs	(103,867)	-	-	(103,867)	17,739	(86,128)
Income tax expense	(498)	(598)	(45,639)	(46,735)	-	(46,735)
Profit (loss) for the period	609,811	(181,487)	136,685	565,009	(40)	564,969
Total assets as at 31 December 2015	8,822,400	1,334,159	17,469,661	27,626,220	(9,588,957)	18,037,263
Total liabilities as at 31 December 2015	12,918,743	236,958	1,788,840	14,944,541	(8,493,126)	6,451,415

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11 Administrative expenses

<i>Three-month period ended</i> <i>30 September</i>	Consolidated financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Employee benefit expense	4,329	6,029	150,841	212,495
Financial bonus	94	632	3,275	22,275
Withholding tax not recoverable	744	2,129	25,924	75,038
Professional fees	157	436	5,471	15,367
Depreciation and amortisation	247	255	8,607	8,988
Office and office equipment rental	219	289	7,631	10,186
Travelling expenses	186	373	6,481	13,147
Others	527	883	18,363	31,122
Total	6,503	11,026	226,593	388,618

<i>Nine-month period ended</i> <i>30 September</i>	Consolidated financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Employee benefit expense	13,795	18,112	486,727	610,687
Financial bonus	(2,505)	2,193	(89,467)	73,717
Withholding tax not recoverable	3,041	6,835	107,415	230,123
Bad debts	(133)	55	(4,847)	2,000
Professional fees	619	1,210	21,844	40,874
Depreciation and amortisation	671	918	23,647	30,836
Office and office equipment rental	630	784	22,209	26,499
Travelling expenses	543	1,244	19,142	41,851
Others	1,250	2,669	44,156	89,791
Total	17,911	34,020	630,826	1,146,378

<i>Three-month period ended</i> <i>30 September</i>	Separate financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Employee benefit expense	615	807	21,429	28,443
Financial bonus	69	74	2,404	2,608
Professional fees	91	185	3,171	6,520
Depreciation and amortisation	95	121	3,310	4,265
Bad debts	4	-	139	-
Travelling expenses	15	17	523	599
Office and office equipment rental	22	22	767	775
Others	173	168	6,029	5,921
Total	1,084	1,394	37,772	49,131

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<i>Nine-month period ended</i> <i>30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar)</i>	2015 <i>(in thousand US Dollar)</i>	2016 <i>(in thousand Baht)</i>	2015 <i>(in thousand Baht)</i>
Employee benefit expense	2,006	2,583	70,804	86,971
Financial bonus	(130)	350	(4,720)	11,703
Depreciation and amortisation	294	362	10,369	12,207
Professional fees	232	526	8,159	17,758
Travelling expenses	74	65	2,612	2,181
Office and office equipment rental	64	68	2,257	2,291
Bad debts	44	-	1,550	-
Others	457	668	16,105	22,397
Total	3,041	4,622	107,136	155,508

12 Earnings (losses) per share

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month and nine-month periods ended 30 September 2016 and 2015 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 30 September</i>	Consolidated financial statements			
	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Profit attributable to ordinary shareholders of the Company (basic)	7,489	16,491	260,950	581,234
Number of ordinary shares outstanding (basic)	1,413,329 <i>(in US Dollar)</i>	1,413,329 <i>(in US Dollar)</i>	1,413,329 <i>(in Baht)</i>	1,413,329 <i>(in Baht)</i>
Earnings per share (basic)	0.0053	0.0117	0.1846	0.4113
<i>Nine-month period ended 30 September</i>	Consolidated financial statements			
	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Profit attributable to ordinary shareholders of the Company (basic)	16,500	16,271	579,359	573,984
Number of ordinary shares outstanding (basic)	1,413,329 <i>(in US Dollar)</i>	1,413,329 <i>(in US Dollar)</i>	1,413,329 <i>(in Baht)</i>	1,413,329 <i>(in Baht)</i>
Earnings per share (basic)	0.0117	0.0115	0.4099	0.4061

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<i>Three-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>1,542</u>	<u>(17,598)</u>	<u>53,730</u>	<u>(620,250)</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u>	<u>1,413,329</u> <i>(in Baht)</i>	<u>1,413,329</u>
Earnings (losses) per share (basic)	<u>0.0011</u>	<u>(0.0125)</u>	<u>0.0380</u>	<u>(0.4389)</u>

<i>Nine-month period ended 30 September</i>	Separate financial statements			
	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>9,230</u>	<u>(17,130)</u>	<u>327,369</u>	<u>(604,827)</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u>	<u>1,413,329</u> <i>(in Baht)</i>	<u>1,413,329</u>
Earnings (losses) per share (basic)	<u>0.0065</u>	<u>(0.0121)</u>	<u>0.2316</u>	<u>(0.4279)</u>

Diluted earnings (losses) per share

The calculations of diluted earnings (losses) per share for the nine-month period ended 30 September 2015 were based on the profit (loss) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Nine-month period ended 30 September 2015</i>	Consolidated financial statements	
	<i>(in thousand US Dollar/ thousand shares)</i>	<i>(in thousand Baht/ thousand shares)</i>
Profit attributable to ordinary shareholders of the Company (basic)	<u>16,271</u>	<u>573,984</u>
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329
Effect from employee share option plan	37	37
Weighted average number of ordinary shares outstanding (diluted)	<u>1,413,366</u> <i>(in US Dollar)</i>	<u>1,413,366</u> <i>(in Baht)</i>
Earnings per share (diluted)	<u>0.0115</u>	<u>0.4061</u>

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<i>Nine-month period ended 30 September 2015</i>	Separate financial statements	
	<i>(in thousand US Dollar/ thousand shares)</i>	<i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	(17,130)	(604,827)
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329
Effect from employee share option plan	37	37
Weighted average number of ordinary shares outstanding (diluted)	1,413,366	1,413,366
	<i>(in US Dollar)</i>	<i>(in Baht)</i>
Losses per share (diluted)	(0.0121)	(0.4279)

There was no potential dilution in earnings per share from the employee share option plan for the three-month period ended 30 September 2015 and the three-month and nine-month periods ended 30 September 2016, because the average share prices during those periods were lower than the respective exercise prices.

13 Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2015, the shareholders approved the appropriation of dividends of US Dollar 0.0040 per share or equivalent to Baht 0.1279 per share, amounting to US Dollar 5.7 million or equivalent to Baht 180.8 million. The dividend was paid to the Company's shareholders on 20 May 2015.

At the annual general meeting of the shareholders of the Company held on 27 January 2015, the shareholders approved the appropriation of dividends of US Dollar 0.0047 per share or equivalent to Baht 0.1542 per share, amounting to US Dollar 6.6 million or equivalent to Baht 217.9 million. The dividend was paid to the Company's shareholders on 23 February 2015.

14 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value due to their relatively short-term maturity.

	Consolidated financial statements			
	30 September 2016		31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand US Dollar)</i>			
Financial liabilities not measured at fair value				
Long-term loans from financial institutions	(96,125)	(94,796)	(104,375)	(101,575)

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	Consolidated financial statements			
	30 September 2016		31 December 2015	
	Carrying amount	Fair value <i>(in thousand Baht)</i>	Carrying amount	Fair value
Financial liabilities not measured at fair value				
Long-term loans from financial institutions	(3,335,528)	(3,289,412)	(3,766,748)	(3,665,700)

15 Guarantees

As at 30 September 2016 and 31 December 2015, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements					
	30 September 2016			31 December 2015		
	thousand Baht	thousand USD	thousand QAR	thousand Baht	thousand USD	thousand QAR
Letters of guarantee issued by financial institutions in the normal course of business	15,600	14,774	-	15,600	27,927	-
Guarantee for short-term borrowing of subsidiaries to financial institutions	-	-	-	-	-	13,100
Guarantee for long-term loans of subsidiaries to financial institutions	-	96,125	-	-	104,375	-

	Separate financial statements			
	30 September 2016		31 December 2015	
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	400	8,750	400	8,750
Guarantee for long-term loans of subsidiary to financial institutions	-	96,125	-	104,375

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16 Commitments with non-related parties

(a) *Capital commitments*

	Consolidated financial statements			
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Purchasing of diving equipment	2,118	2,042	73,494	73,693
Purchasing of tender rigs	254,000	254,000	8,813,775	9,166,504
Purchasing of DSV	117,600	117,600	4,080,708	4,244,019
Total	373,718	373,642	12,967,977	13,484,216

(b) *Operating lease commitments - company as lessee*

The future aggregate minimum lease payments under operating lease are as follows:

	Consolidated financial statements			
	30	31	30	31
	September	December	September	December
	2016	2015	2016	2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating lease</i>				
Within one year	12,824	8,679	444,992	313,213
After one year but within five years	1,584	1,610	54,965	58,103
After five years	1,203	1,480	41,744	53,411
Total	15,611	11,769	541,701	424,727

(c) *Other commitments*

As at 30 September 2016, the Group had commitments on procurement commission of a new drilling unit of US Dollar 2.0 million (31 December 2015: US Dollar 2.0 million).

17 The compensation of accumulated loss

Pursuant to Section 119 of the Public Companies Act B.E. 2535, the Company may transfer the reserve fund under Section 51 (share premium reserve) or Section 116 (legal reserve) or other reserve funds to compensate for the accumulated losses of the Company. The compensation for the accumulated losses shall be deducted from other reserves before it shall be deducted from the reserve fund under Section 116 and from the reserve fund under Section 51 respectively.

At the annual general meeting of the Company held on 26 April 2016, the shareholders approved to fully offset the Company's deficit of US Dollar 83.5 million as at 31 December 2015 with the legal reserve of US Dollar 4.5 million (Baht 141.7 million) and share premium of US Dollar 79.0 million (Baht 1,286.9 million).

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

18 Events after the reporting period

Increase in share capital of a subsidiary

At the Extraordinary General Meeting of shareholders of Mermaid Subsea Services (Thailand) Ltd. (“MSST”) held on 4 November 2016, the shareholders approved to increase the share capital of MSST by Baht 2,450.0 million (equivalent to US Dollar 70.6 million) through the issuance of 245,000,000 new ordinary shares with a par value of Baht 10 each. The shares were fully subscribed and paid up by the Company. As a result, MSST’s certain covenant improved to be within the range which would not result in a breach of the related financial covenant for its long-term loans from financial institutions.

Early settlement of long-term loan from financial institution

As of 11 November 2016, MSST has made full early repayment for a certain long-term loan from a financial institution which had a balance of US Dollar 4.1 million (equivalent to Baht 142.3 million) as at 30 September 2016. There was no charge from the financial institution for the early repayment.

19 Thai Financial Reporting Standards (TFRS) not yet adopted

The following announcement has been issued but is not yet effective and has not been applied in preparing these interim financial statements. This new announcement may be relevant to the Group’s operations, which become effective and will be applied by the Group for annual financial periods beginning on or after 1 January 2017, and is set out below.

FAP Announcement	Topic
No. 5/2559	Accounting Guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of this new announcement and expects that there will be no material impact on the financial statements in the period of initial application.