



**MERMAID MARITIME PUBLIC COMPANY LIMITED**  
 (Registered in the Kingdom of Thailand)  
 (Company Registration No. 0107550000017)

**Financial Statements and Dividend Announcement for the Period Ended 31 March 2012**

**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 year.**

	Consolidated		
	For the three-month periods that ended on 31 March		
	2012	2011	Changes
	Baht'000	Baht'000	%
Service income	995,554	1,144,100	-13.0%
Cost of services	(900,539)	(1,203,857)	-25.2%
<b>Gross profits (losses)</b>	<b>95,015</b>	<b>(59,757)</b>	<b>259.0%</b>
Management fee income	-	55,982	-100.0%
Interest income	1,714	899	90.7%
Other income	7,910	3,962	99.6%
Administrative expenses	(180,803)	(152,286)	18.7%
Gains (losses) on exchange rates	28,883	462	6151.7%
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment and intangible assets	(839)	1,717	-148.9%
<b>Operating profits (losses)</b>	<b>(48,120)</b>	<b>(149,021)</b>	<b>67.7%</b>
Share of losses of investments in associates	(2,440)	(1,291)	89.0%
<b>Profits (losses) before finance costs and income taxes</b>	<b>(50,560)</b>	<b>(150,312)</b>	<b>66.4%</b>
Finance costs	(47,444)	(48,193)	-1.6%
<b>Profits (losses) before income taxes</b>	<b>(98,004)</b>	<b>(198,505)</b>	<b>50.6%</b>
Income taxes	(18,929)	(20,099)	-5.8%
<b>Profits (losses) for the period</b>	<b>(116,933)</b>	<b>(218,604)</b>	<b>46.5%</b>
<b>Other comprehensive income (expenses):</b>			
Exchange differences on translating financial statements	(24,248)	10,669	-327.3%
<b>Total comprehensive income (expenses) for the period</b>	<b>(141,181)</b>	<b>(207,935)</b>	<b>32.1%</b>
<b>Profits (losses) attributable to:</b>			
Owners of the parent	(117,301)	(214,697)	45.4%
Non-controlling interests	368	(3,907)	109.4%
	<b>(116,933)</b>	<b>(218,604)</b>	<b>46.5%</b>
<b>Total comprehensive income (expenses) attributable to:</b>			
Owners of the parent	(139,375)	(204,858)	32.0%
Non-controlling interests	(1,806)	(3,077)	41.3%
	<b>(141,181)</b>	<b>(207,935)</b>	<b>32.1%</b>
<b>Notes to the income statements</b>			
Depreciation and amortisation	218,864	251,762	



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	<b>Consolidated</b>		
	<b>For the six-month periods that ended on 31 March</b>		
	<b>2012</b>	<b>2011</b>	<b>Changes</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>%</b>
Service income	2,146,965	2,256,609	-4.9%
Cost of services	(1,925,087)	(2,288,635)	-15.9%
<b>Gross profits (losses)</b>	221,878	(32,026)	792.8%
Management fee income	-	83,376	-100.0%
Interest income	4,268	2,335	82.8%
Other income	9,065	7,785	16.4%
Administrative expenses	(364,119)	(305,557)	19.2%
Gains (losses) on exchange rates	65,289	(15,621)	518.0%
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment and intangible assets	257	(10,268)	102.5%
<b>Operating profits (losses)</b>	(63,362)	(269,976)	76.5%
Share of losses of investments in associates	(4,887)	(2,644)	84.8%
<b>Profits (losses) before finance costs and income taxes</b>	(68,249)	(272,620)	75.0%
Finance costs	(92,615)	(91,809)	0.9%
<b>Profits (losses) before income taxes</b>	(160,864)	(364,429)	55.9%
Income taxes	(34,655)	(43,872)	-21.0%
<b>Profits (losses) for the period</b>	(195,519)	(408,301)	52.1%
<b>Other comprehensive income (expenses):</b>			
Exchange differences on translating financial statements	(39,856)	(2,075)	-1820.8%
<b>Total comprehensive income (expenses) for the period</b>	(235,375)	(410,376)	42.6%
<b>Profits (losses) attributable to:</b>			
Owners of the parent	(202,709)	(402,425)	49.6%
Non-controlling interests	7,190	(5,876)	222.4%
	(195,519)	(408,301)	52.1%
<b>Total comprehensive income (expenses) attributable to:</b>			
Owners of the parent	(241,007)	(405,081)	40.5%
Non-controlling interests	5,632	(5,295)	206.4%
	(235,375)	(410,376)	42.6%
<b>Notes to the income statements</b>			
Depreciation and amortisation	440,236	503,369	



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### (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.

	Consolidated		Company	
	Unaudited 31 March 2012 Baht'000	Audited 30 September 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Audited 30 September 2011 Baht'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,297,243	1,352,380	675,358	377,635
Restricted deposits at financial institutions	191,388	206,484	-	-
Trade accounts receivable - others, net	753,804	1,661,898	-	-
Amounts due from related parties	-	33	467,919	412,054
Short-term loans to related parties	-	-	4,574,772	4,933,109
Supplies and spare parts	137,399	137,926	-	-
Other current assets	214,518	136,801	8,195	13,743
<b>Total current assets</b>	<b>3,594,352</b>	<b>3,495,522</b>	<b>5,726,244</b>	<b>5,736,541</b>
<b>Non-current assets</b>				
Restricted deposits at financial institutions	122,797	124,110	-	-
Investments in subsidiaries - cost method, net	-	-	4,970,999	4,970,999
Investments in associates	1,857,154	1,862,041	1,903,814	1,903,814
Property, plant, and equipment, net	10,843,820	11,122,394	163,109	170,644
Goodwill	332,279	332,279	-	-
Intangible assets, net	15,165	16,206	1,001	1,256
Deferred expenses	27,697	29,375	-	-
Deferred tax assets, net	93,770	99,437	-	-
Other non-current assets	9,345	22,739	690	864
<b>Total non-current assets</b>	<b>13,302,027</b>	<b>13,608,581</b>	<b>7,039,613</b>	<b>7,047,577</b>
<b>Total assets</b>	<b>16,896,379</b>	<b>17,104,103</b>	<b>12,765,857</b>	<b>12,784,118</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade accounts payable - others	143,476	187,295	-	-
Trade accounts payable - related parties	2,028	2,970	-	-
Other accounts payable	39,805	54,156	3,412	5,758
Amounts due to related parties	22,107	12,530	1,139,639	1,141,526
Current portion of long-term loans from financial institutions	178,370	556,747	-	-
Current portion of finance lease liabilities	1,385	1,744	1,170	1,170
Income taxes payable	31,843	19,684	-	-
Accrued expenses	195,368	279,906	4,726	7,759
Current portion of employee benefit obligations	16,128	61,031	-	-
Other current liabilities	42,214	50,482	9,467	10,681
<b>Total current liabilities</b>	<b>672,724</b>	<b>1,226,545</b>	<b>1,158,414</b>	<b>1,166,894</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	3,989,429	3,409,963	-	-
Finance lease liabilities	2,301	3,277	781	1,366
Employee benefit obligations	25,685	22,703	3,660	2,908
<b>Total non-current liabilities</b>	<b>4,017,415</b>	<b>3,435,943</b>	<b>4,441</b>	<b>4,274</b>
<b>Total liabilities</b>	<b>4,690,139</b>	<b>4,662,488</b>	<b>1,162,855</b>	<b>1,171,168</b>
<b>Shareholders' equity</b>				
Share capital				
Authorised share capital				
Ordinary shares				
791,213,843 shares of par Baht 1 each	791,214	791,214	791,214	791,214
Issued and paid-up share capital				
Ordinary shares				
784,747,743 shares of paid-up Baht 1 each	784,748	784,748	784,748	784,748
Premium on share capital	9,818,420	9,818,420	9,818,420	9,818,420
Exchange differences on translating financial statements	(235,993)	(197,695)	-	-
Retained earnings				
Appropriated - legal reserves	78,475	78,475	78,475	78,475
Unappropriated	1,655,950	1,858,659	921,359	931,307
<b>Equity attributable to owners of the parent</b>	<b>12,101,600</b>	<b>12,342,607</b>	<b>11,603,002</b>	<b>11,612,950</b>
Non-controlling interests	104,640	99,008	-	-
<b>Total shareholders' equity</b>	<b>12,206,240</b>	<b>12,441,615</b>	<b>11,603,002</b>	<b>11,612,950</b>
<b>Total liabilities and shareholders' equity</b>	<b>16,896,379</b>	<b>17,104,103</b>	<b>12,765,857</b>	<b>12,784,118</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 collaterals.**

	<b>As at 31 March 2012</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	86,789	92,966	<b>179,755</b>
Amount repayable after one year (*)	3,538,523	453,207	<b>3,991,730</b>

	<b>As at 30 September 2011</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	324,190	234,301	<b>558,491</b>
Amount repayable after one year (*)	2,311,901	1,101,339	<b>3,413,240</b>

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

As at 31 March 2012, there are land and buildings, two support vessels, and a tender rig that are mortgaged with various banks as collateral for their overdrafts and loans. For more details, please read the notes to the consolidated and Company financial statements for the six-month period that ended on 31 March 2012, which are available in the SGX's website and the Company's website.



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

	Consolidated	
	Six-month periods ended on 31 March	
	2012	2011
	Baht'000	Baht'000
<b>Cash flows from operating activities</b>		
Profits (losses) before income taxes	(160,864)	(364,429)
Adjustments for:		
Depreciation	436,019	498,582
Amortisation of intangible assets	4,217	4,787
Finance costs	92,615	91,809
Net (gains) losses on disposals, write-offs, and impairment losses of property, plant, and equipment and intangible assets	(257)	10,268
Realised (gains) losses on exchange rates	(39,018)	(8,956)
Unrealised (gains) losses on exchange rates	(26,271)	24,577
Employee benefit obligations	15,522	34,672
Losses from write-off withholding taxes	10,449	-
Share of losses of investments in associates	4,887	2,644
Exchange rates (gains) losses from translation of overseas subsidiaries	(51,894)	1,730
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Restricted deposits at financial institutions	12,942	-
- Trade accounts receivable - others	930,161	(511,844)
- Trade accounts receivable - related parties	-	169
- Amounts due from related parties	33	(48,923)
- Supplies and spare parts	527	(4,038)
- Other current assets	(78,392)	(37,160)
- Deferred expenses	1,679	5,798
- Other non-current assets	13,396	35,812
- Trade accounts payable - others	(39,738)	87,804
- Trade accounts payable - related parties	(943)	(4,027)
- Other accounts payable	(13,696)	(65,798)
- Amounts due to related parties	9,578	1,952
- Accrued expenses	(82,586)	36,396
- Other current liabilities	(10,079)	65,119
Cash generated from operations	1,028,287	(143,056)
- Finance costs paid	(90,842)	(83,980)
- Income taxes paid	(28,396)	(20,636)
- Employee benefits paid	(56,464)	(43,314)
<b>Net cash inflows (outflows) from operating activities</b>	<b>852,585</b>	<b>(290,986)</b>



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	<b>Consolidated</b>	
	<b>Six-month periods ended on 31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Cash flows from investing activities</b>		
Payments for short-term investments	-	(597,775)
Proceeds from short-term investments	-	298,731
Payments for investments in associate	-	(1,456,631)
Proceeds from disposals of property, plant, and equipment and intangible assets	1,996	22,721
Payments for purchases of property, plant, and equipment	(147,113)	(101,335)
Payments for purchases of intangible assets	(4,571)	(4,360)
<b>Net cash inflows (outflows) from investing activities</b>	<b>(149,688)</b>	<b>(1,838,649)</b>
<b>Cash flows from financing activities</b>		
Repayments of finance lease liabilities	(1,234)	(1,333)
Proceeds from long-term loans from financial institutions	1,405,751	-
Repayments of long-term loans from financial institutions	(1,157,157)	(552,844)
Dividends paid to shareholders	-	(455,154)
<b>Net cash inflows (outflows) from financing activities</b>	<b>247,360</b>	<b>(1,009,331)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>950,257</b>	<b>(3,138,966)</b>
Cash and cash equivalents at the beginning of the period	1,352,380	3,742,938
Effects of exchange rates	(5,394)	(30,801)
<b>Cash and cash equivalents at the end of period</b>	<b>2,297,243</b>	<b>573,171</b>



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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						Non-controlling interests	Total shareholders' equity	
	Attributable to owners of the parent								
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity				Total owners of the parent
					Other comprehensive expenses				
				Exchange differences on translating financial statements					
<b>Beginning balance as at 1 October 2011</b>	784,748	9,818,420	78,475	1,858,659	(197,695)		12,342,607	99,008	12,441,615
Net profits (losses) for the period	-	-	-	(202,709)	-		(202,709)	7,190	(195,519)
Exchange differences on translating financial statements	-	-	-	-	(38,298)		(38,298)	(1,558)	(39,856)
<b>Ending balance as at 31 March 2012</b>	784,748	9,818,420	78,475	1,655,950	(235,993)		12,101,600	104,640	12,206,240

	Company				Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	
<b>Beginning balance as at 1 October 2011</b>	784,748	9,818,420	78,475	931,307	11,612,950
Net losses for the period	-	-	-	(9,948)	(9,948)
<b>Ending balance as at 31 March 2012</b>	784,748	9,818,420	78,475	921,359	11,603,002



## MERMAID MARITIME PUBLIC COMPANY LIMITED

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	Consolidated						Baht' 000	
	Attributable to owners of the parent						Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity			
					Other comprehensive expenses			
				Exchange differences on translating financial statements	Total owners of the parent			
<b>Beginning balance as at 1 October 2010</b>	784,748	9,818,420	39,717	2,519,918	(270,702)	12,892,101	89,688	12,981,789
Net losses for the period	-	-	-	(402,425)	-	(402,425)	(5,876)	(408,301)
Dividends paid	-	-	-	(455,154)	-	(455,154)	-	(455,154)
Exchange differences on translating financial statements	-	-	-	-	(2,656)	(2,656)	581	(2,075)
Legal reserve	-	-	38,758	(38,758)	-	-	-	-
<b>Ending balance as at 31 March 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,623,581</b>	<b>(273,358)</b>	<b>12,031,866</b>	<b>84,393</b>	<b>12,116,259</b>

	Company				Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings (deficit)	Total shareholders' equity	
<b>Beginning balance as at 1 October 2010</b>	784,748	9,818,420	39,717	(207,604)	10,435,281	
Net profits for the period	-	-	-	1,522,279	1,522,279	
Dividends paid	-	-	-	(455,154)	(455,154)	
Legal reserve	-	-	38,758	(38,758)	-	
<b>Ending balance as at 31 March 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>820,763</b>	<b>11,502,406</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 was no transaction of treasury shares during the periods that ended on 31 March 2012 and 2011.

**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 2012 and 30 September 2011, the issued shares of the Company were 784,747,743 shares and 784,747,743 shares with a par value of Baht 1 per share, respectively.

As at 31 March 2012 and 30 September 2011, 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 2012.

**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 Thai generally accepted accounting principles ("Thai GAAP") and audited by the Company's auditor, PricewaterhouseCoopers ABAS Limited, except for item 14 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.

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

Based on the auditor's reviews, nothing has come to their attention that causes them to believe that the consolidated and Company interim financial statements for the second quarter that ended on 31 March 2012 are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The signed auditor's report is on page 1 of the interim consolidated and Company financial statements for the second quarter that ended on 31 March 2012, which is reported together with this announcement and is available in the SGX's website and the Company's website.



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#### **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, except as described in item 5 in this announcement.

#### **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.**

Please read notes 3.1 and 3.2 on pages 11-13 in the interim consolidated and Company financial statements for the six-month period that ended on 31 March 2012, which are available on the SGX's website and the Company's website.

#### **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 are calculated by dividing the net profits (losses) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has an Employee Share Option Plan in issue.

A calculation is done to determine the potential number of shares that could have been acquired at market price (using the average share price of the Company's shares during the period) and the potential additional shares that would have been issued based on the outstanding Employee Share Option Plan. The potential shares are added to the ordinary shares outstanding, but no adjustment is made to net profit.



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	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
<b>Effect of dilutive potential ordinary shares</b>				
Employee Shares Option Plan (Shares'000)	381	232	381	232
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	785,129	784,980	785,129	784,980
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(117,301)	(214,697)	(87,982)	117,051
Basic earnings (losses) per share (Baht)	(0.15)	(0.27)	(0.11)	0.15
Diluted earnings (losses) per share (Baht)	(0.15)	(0.27)	(0.11)	0.15

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
<b>Effect of dilutive potential ordinary shares</b>				
Employee Shares Option Plan (Shares'000)	361	295	361	295
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	785,109	785,043	785,109	785,043
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(202,709)	(402,425)	(9,948)	1,522,279
Basic earnings (losses) per share (Baht)	(0.26)	(0.51)	(0.01)	1.94
Diluted earnings (losses) per share (Baht)	(0.26)	(0.51)	(0.01)	1.94



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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-12 Baht	30-Sept-11 Baht	31-Mar-12 Baht	30-Sept-11 Baht
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective year	15.55	15.85	14.79	14.80

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: -**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Consolidated Income Statements**

During the three-month period that ended on 31 March 2012 (“2Q FY12”), total service income was Baht 995.6 million, a decrease of Baht 148.5 million, or 13.0%, from Baht 1,144.1 million for the three-month period that ended on 31 March 2011 (“2Q FY11”). Despite the revenue decrease, gross profit of Baht 95.0 million was generated compared to negative gross margins of Baht 59.8 million in 2Q FY11. The gross margin improvement was driven by better utilisation in the subsea business.

Mermaid Offshore Services Ltd. (“MOS”) reported quarterly service income of Baht 516.8 million, a decrease of Baht 175.7 million, or 25.4%, compared to 2Q FY11. During this low season, average day rates fell 35.1% but utilisation increased to 59.0% from 51.3% in 2Q FY11, as MOS placed more vessels on time charter. Furthermore, vessel running costs decreased, allowing MOS to increase its gross profit by Baht 122 million from 2Q FY11.

Mermaid Drilling Ltd. (“MDL”) reported quarterly service income of Baht 194.5 million, a decrease of Baht 51.3 million, or 20.9%, compared to 2Q FY11 as MTR-2’s utilisation rate fell from 83.4% in 2Q FY11 to 74.3% in 2Q FY12. Gross margins were reduced by Baht 20.6 million compared to 2Q FY11.



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Subtech Ltd. reported quarterly service income of Baht 85.4 million, a slightly decrease of Baht 2.1 million, or 2.5%, compared to 2Q FY11. Gross margins marginally increased by Baht 1.0 million compared to 2Q FY11.

Seascope Surveys Group reported service income of Baht 198.9 million, an increase of Baht 80.6 million, or 68.2%, compared to 2Q FY11. Gross margins increased by Baht 52.0 million compared to last year on the back of additional contracts in Indonesia and Singapore.

Administrative expenses were Baht 180.8 million, an increase of Baht 28.5 million, or 18.7%, from 2Q FY11. Some extraordinary expenses were booked in this quarter, including non-refundable VAT payment of Baht 15.5 million and provision for bad debts of Baht 3.5 million. Excluding these extraordinary expenses, administrative expenses increased by 2.3% from 2Q FY11.

For the six-month period that ended 31 March 2012 (“6M FY12”), total service income fell 4.9% to Baht 2,147.0 million, but gross profits increased 792.8% to Baht 221.9 million.

### **Operating profits/losses (Earnings before Interest & Taxes and Shares of Investment in Associate )**

The operating losses of Baht 48.1 million in 2Q FY12 fell by Baht 100.9 million from 2Q FY11, equivalent to a 67.7% improvement.

Similarly, the operating losses in 6M FY12 fell by Baht 206.6 million from the same period last year, equivalent to a 76.5% improvement.

### **Shares of Investment in Associate, Finance Costs, and Income Taxes**

The share of losses in investment in an associate in 2Q FY12 was Baht 2.4 million, as Asia Offshore Drilling Ltd. (“AOD”) has not taken delivery of its three new build jack-up rigs. The share of losses from AOD was Baht 4.9 million for 6M FY12 compared to Baht 2.6 million for the same period last year.

Finance costs in 2Q FY12 were Baht 47.4 million in 2Q FY12, a slight decrease of Baht 0.7 million, or 1.6%, compared to 2Q FY11. The average loan balance was Baht 3,945.7 million in 2Q FY12 compared to Baht 3,932.3 million in 2Q FY11. Finance costs in 6M FY12 were 92.6 million compared to Baht 91.8 million for the same period last year.

Income taxes in 2Q FY12 were Baht 19.0 million, a slightly decrease of Baht 1.2 million, or 5.8% from 2Q FY11. Income taxes in 6M FY12 were Baht 34.7 million compared to Baht 43.9 million for the same period last year.



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### **Net Profits (Losses)**

Net losses of Baht 116.9 million fell by Baht 101.7 million, or a 46.5% improvement compared to 2Q FY11. Net losses in 6M FY12 were Baht 195.5 million, or 2 times lower than net losses of Baht 408.3 million in the same period last year.

### **Business Segment Analysis**

MDL reported operating losses in 2Q FY12 of Baht 9.5 million.

MTR-1 was off-hire in this quarter, but has resumed working in Indonesia as of early May 2012. MTR-2 continues to work for Chevron (Indonesia) under a short-term contract extension. We are working on another contract extension for MTR-2. MTR-2 achieved 74.3% utilisation in this quarter, compared to 83.4% utilisation in 2Q FY11 due to some maintenance.

MOS reported operating losses in 2Q FY12 of Baht 51.8 million (excluding translation gain on exchange rate as of 31 March 2012 of Baht 48.6 million), a decrease of Baht 149.2 million from 2Q FY11 due to better cost management.

Seascope reported operating profit in 2Q FY12 of Baht 5.9 million, an increase of Baht 7.9 million from 2Q FY11 due to a strong increase in revenues.

Subtech reported operating profit in 2Q FY12 of Baht 2.8 million (excluding translation losses on exchange rate as of 31 March 2012 of Baht 12.0 million), a decrease of Baht 2.7 million from 2Q FY11.

\*Operating loss was earnings before interest & taxes and share of investment in associate. The utilisation rate was calculated by adding the number of days that our vessels worked including any pre-mobilisation time, divided by the number of total calendar days.

### **Consolidated Balance Sheets**

Current assets were Baht 3,594.4 million, an increase of Baht 98.8 million, or 2.8%, from 30 September 2011, mainly due to account receivables collection of Baht 908.1 million. As a result, cash and cash equivalents increased 69.9% to Baht 944.9 million. Other current assets increased by Baht 77.7 million, mainly due to insurance claims of Baht 20.0 million and prepayment of project costs of Baht 41.7 million.

Non-current assets were Baht 13,302.0 million, a decrease of Baht 306.6 million, or 2.3%, compared to 30 September 2011, mainly driven by assets depreciation of 436.0 million.

Current liabilities were Baht 672.7 million, a decrease of Baht 553.8 million, or 45.2%, from 30 September 2011. The current portion of long-term loans was reduced by Baht 378.4 million, along with working capital items, such as accrued expenses of Baht 84.5 million and trade accounts payable of Baht 44.8 million.



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Non-current liabilities were Baht 4,017.4 million, an increase of Baht 581.5 million, or 16.9 %, compared to 30 September 2011, mainly due to loan refinancing that resulted in a longer grace period.

Shareholders' funds were Baht 12,206.2 million, a decrease of Baht 235.4 million, or 1.9% from 30 September 2011 mainly caused by the net losses in this financial year.

### **Working Capital**

The Company's working capital was Baht 2,921.56 million, an increase of Baht 652.7 million, or 28.76%, from 30 September 2011, mainly driven by accounts receivables collection.

### **Consolidated Cash Flow Statements**

The Company had net cash from operating activities for 6M FY12 of Baht 852.5 million compared to net cash used in operating activities of Baht 291.0 million for the corresponding period last year. The increase in operating cash flows reflected improvements in both performance and working capital management.

The Company had net cash used in investing activities of Baht 149.7 million, the major investment being the special project survey of MTR-1 of Baht 57.1 million.

The Company had net cash from financing activities of Baht 247.4 million, due to loan refinancing.

**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.**

#### **Subsea:**

Overall vessel utilisation shows some slack but some aspects of the market are close to capacity, particularly in the North Sea. The bulk of the newbuild wave has been delivered with some stragglers still to enter the market. More new ships are being ordered but against long-term charter contracts. Overall the outlook for 2013 onwards is bullish, as growth in fleet sizes is expected to lag spending growth. The growth in the subsea sector also appears to have a regional focus, with more potential activity by the Company seen coming in from Indonesia and the Middle East and West African region.



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In terms of our clients, more and more work is being procured through our Singapore office as well as our Subtech and Seascope offices in their respective territories. In addition, we will be working to offer a complete and uniform suite of subsea services across all our regional offices to achieve better synergies and economies of scale and will be implementing a series of business process improvements to achieve them. From a bidding perspective, more bids are being submitted covering greater geographical areas and scopes of work than before. The Company is not just bidding for work using its own subsea vessels, but also for work that may include charter-in vessels to support where opportunities exist.

From a business unit perspective, our subsidiary Seascope Surveys has seen growth in its business and scope of services both within its core area of Indonesia and other countries in the region as it starts to bid and win subsea contracts as a main contractor providing its own vessels with more on-board services instead of its traditional business model as a survey subcontractor. In addition to its suite of short term contract wins, several potential long term (2-3 year) contracts have been identified by Seascope Surveys in the inspection, repair and maintenance (“IRM”) areas and survey support areas, and will be tendering for them. Seascope Surveys has also recently chartered-in its own DP2 IRM vessel that is Indonesian flagged, thus allowing it to competitively position itself for work opportunities in Indonesia.

Our subsidiary Subtech remains active in the Middle East, the Mediterranean and West Africa, and had recently announced new contract awards in Qatar alone. Recent contracts awarded also see vessels such as the ‘Mermaid Endurer’ and ‘Mermaid Siam’ employed through Subtech’s efforts. Subtech’s recent announcement of the opening of a branch office in Abu Dhabi complements its operations base in Qatar, and office in Saudi Arabia, to give it more geographical coverage in the region.

With regard to our subsidiary Mermaid Offshore Services (“MOS”), tendering activity continues through our commercial office in Singapore with regional support given by Subtech and Seascope Surveys. As utilization recovers, the Company is focusing its efforts on securing more value added services using its vessels, as opposed to time charters which it had to secure in the past in order to maintain vessel utilization during the traditional low season period (October-March).

The coming of the traditional high season (April-September) sees more tendering activities for the subsea business generally. MOS continues to perform work with the ‘Mermaid Asiana’ in China, ‘Mermaid Challenger’ in Vietnam and ‘Mermaid Commander’, ‘Mermaid Sapphire’ and ‘Mermaid Performer’ in Thailand. The Company has also given renewed focus to re-entry into Malaysian subsea market.

Overall, with the increased bidding activity, the Company is making an effort to close out remaining available utilization days for the rest of this 2012 financial year.



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### **Drilling:**

The 'MTR-1' commenced its 150-day contract with an international upstream oil and gas company in Indonesia as an accommodation barge support unit on 9 May 2012. Discussions with its existing and potential clients within the region regarding further opportunities for the 'MTR-1' as an accommodation barge support unit beyond this initial term is in progress.

The 'MTR-2' completed its latest drilling contract with an international upstream oil and gas company in Indonesia on 14 May 2012 and has been awarded a new drilling contract with the same client commencing 15 May 2012. This new contract is for a period of six months. Upon the completion of this new contract, the 'MTR-2' is scheduled to undergo its compulsory special periodic survey, currently estimated to take approximately four months to complete. The Company has commenced marketing the 'MTR-2' for further drilling contract opportunities after the completion of this special periodic survey.

Safe work practices remains an integral part of the Company's operations, and the Company strives to continue to be in line with global industry best practice and maintain its exemplary safety record for both its drilling and offshore services. To this end, 'MTR-2' has recently achieved 1,000 consecutive days of no lost time accidents while supporting Chevron's drilling campaign in Indonesia.

Due to a tender rig's typical build specifications, they generally only operate in the benign weather conditions of South East Asia and West Africa, with 75% of the fleet reportedly located in South East Asia itself. With regard to tender rig market outlook, modern tender rig fleets have recently been reported to achieve utilization rates as high as 95%, with older tender rigs reportedly achieving utilization rates as high as 85% generally. Recent announcements of new tender rig construction by other entities have also been noted, indicating a renewed market interest in the tender rig sector driven by fleet replacement and attractive potential returns. Such newbuild tender rigs, if ordered now, would have a market availability entry of 18-24 months.

The construction of Asia Offshore Drilling ("AOD")'s three high-specification jack-up rigs with Keppel FELS Limited ("KFELS") continues to remain on schedule with delivery expected in the first, second, and third calendar quarters of 2013, respectively. Seadrill Ltd., as technical and commercial managers of the said rigs, have already commenced marketing these rigs to potential clients.

The overall demand for jack-ups rigs globally has improved recently and the demand for particularly premium jack-ups rigs has remained strong in all relevant regions. The number of warm-stacked and cold-stacked jack-up rigs has decreased over the last quarter. The reactivation of rigs has increased the overall global utilisation rate for jack-up rigs. This is driven by increasing demand in West Africa, Mexico, and the Middle East. The utilisation rate for newer jack-up rigs, built after 1990 with more than 300 feet water depth capacity, remain high due to strong demand for premium rigs in most regions.



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As a result of this development, the day rates for older jack-up rigs have improved to a level that justifies reactivation costs. We have also seen a modest increase in day rates for newer jack-up rigs, but a more significant increase in contract length as the number of term contracts developed positively. The overall market development suggests a positive trend in terms of rig demand, utilisation rates, contract term, and day rate levels. In this environment, oil companies continue to show a preference for newer equipment due to their superior technical capacities and operational flexibility.

Based on these developments and observations, the Company remains optimistic about the market outlook and prospects for its enhanced high-specification premium jack-up rigs.

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

*(a) Whether an interim (final) ordinary dividend has been declared (recommended); and*  
No dividend has been declared.

*(b) (i) Amount per share.....cents*  
Not applicable

*(b) (ii) Previous corresponding period.....cents*  
Not applicable

*(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).*  
Not applicable

*(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



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**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.**

The details of the aggregate value of interested person transactions of the Company for the six-month period that ended on 31 March 2012 is as follows:

Mermaid Maritime Public Company Limited Unaudited but reviewed results for the six-month period that ended on 31 March 2012		
Interested persons transactions for the six-month period that ended on 31 March 2012		
Name of interested persons	Aggregate value of all interested persons transactions during the six-month period ended on 31 March 2012 under review (excluding transactions less than S\$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 S\$100,000*)
	Baht'000	Baht'000
<b>Cost of services</b>		
Gulf Agency Company (Thailand) Ltd.	9,195.49	-
<b>Administrative expenses</b>		
Thoresen Thai Agencies Public Company Limited	-	4,466.20
Thoresen Service Center Ltd.	-	4,489.20
Thoresen Shipping Singapore Pte Ltd	-	3,020.67

\* Exchange rate Baht 24.7879 per 1 SGD

**14. A reconciliation of difference between Thai GAAP to IFRS.**

Currently, the Company has applied IAS 12: Income Taxes in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.

The Effects of Changes in Foreign Exchange Rates

Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.



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### IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

### Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-1 Ltd., MTR-2 Ltd., and Mermaid Drilling (Malaysia) Sdn. Bhd. as considered material to the consolidated level, is in US Dollars, accounting records need to be measured in the functional currency. This would affect all balance sheet and income statements line items.

The net effects on the consolidated statement of comprehensive income for the periods that ended on 31 March 2012 and 2011 and consolidated statements of financial position as at 31 March 2012 and 30 September 2011 can be summarised as follows:

	Net effects on Consolidated Statement of Comprehensive Income for the six-month period that ended on 31 March 2012		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	2,146.97	2,146.97	-
Total cost of services	1,925.09	1,925.09	-
Administrative expenses	364.12	364.12	-
Operating profits (losses)	(63.36)	(170.73)	(107.37)
Net profits (losses) for period	(195.52)	(302.89)	(107.37)

	Net effects on Consolidated Statement of Comprehensive Income for the six-month period that ended on 31 March 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	2,256.61	2,256.61	-
Total cost of services	2,288.64	2,288.64	-
Administrative expenses	305.56	305.56	-
Operating profits (losses)	(269.98)	(296.24)	(26.26)
Net profits (losses) for period	(408.30)	(434.57)	(26.27)

	Net effects on Consolidated Statements of Financial Position as at 31 March 2012		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,594.35	3,614.12	19.77
Total non-current assets	13,302.03	13,365.74	63.71
Total current liabilities	672.72	683.69	10.97
Total non-current liabilities	4,017.41	4,038.59	21.18



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	Net effects on Consolidated Statements of Financial Position as at 30 September 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,495.52	3,432.44	(63.08)
Total non-current assets	13,608.58	13,667.01	58.43
Total current liabilities	1,226.54	1,249.19	22.65
Total non-current liabilities	3,435.94	3,348.67	(87.28)

### 15. Negative assurance on audited financial statements

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 audited financial results for the second quarter that ended on 31 March 2012 of the Group and the Company to be false or misleading.

#### BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat  
Executive Chairman  
15 May 2012