



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 December 2016

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 financial statements		
	Year ended 31 December		Change %
	2016	2015	
	<i>(in thousand US Dollar)</i>		
Income			
Revenue from rendering of services	185,249	336,586	-45.0%
Interest income	468	197	137.6%
Net gain on foreign exchange	-	1,733	-100.0%
Other income	1,438	258	457.4%
Total income	187,155	338,774	-44.8%
Expenses			
Cost of rendering of services	152,236	303,531	-49.8%
Administrative expenses	28,558	49,010	-41.7%
Net loss on foreign exchange	4	-	100.0%
Impairment losses	6	163,275	-100.0%
Finance costs	3,477	3,410	2.0%
Total expenses	184,281	519,226	-64.5%
Share of profit (loss) of investments in associates and joint venture	11,527	(50,362)	-122.9%
Profit (loss) before income tax (expense) benefit	14,401	(230,814)	-106.2%
Income tax (expense) benefit	2,825	(529)	-634.0%
Profit (loss) for the year	17,226	(231,343)	-107.4%
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (losses), net of tax	(6)	99	-106.1%
Items that are or may be reclassified to profit or loss			
Exchange differences on translating financial statements	(12)	(1,355)	-99.1%
Other comprehensive income (loss) for the year, net of income tax	(18)	(1,256)	-98.6%
Total comprehensive income (loss) for the year	17,208	(232,599)	-107.4%
Profit (loss) attributable to:			
Owners of the Company	17,107	(229,112)	-107.5%
Non-controlling interests	119	(2,231)	-105.3%
Profit (loss) for the year	17,226	(231,343)	-107.4%
Total comprehensive income (loss) attributable to:			
Owners of the Company	17,090	(230,302)	-107.4%
Non-controlling interests	118	(2,297)	-105.1%
Total comprehensive income (loss) for the year	17,208	(232,599)	-107.4%
Earnings (losses) per share	<i>(in US Dollar)</i>		
Basic earnings (losses) per share	0.012	(0.162)	-107.5%
Diluted earnings (losses) per share		(0.162)	-100.0%
Depreciation and amortization	23,082	34,663	
Bad and doubtful debts expense	457	188	
Interest on borrowing	3,477	3,410	



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

Assets	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
<i>Current assets</i>				
Cash and cash equivalents	61,817	57,411	20,877	22,990
Short-term deposit at financial institution	27,950	-	27,950	-
Trade accounts receivable	65,253	114,785	-	-
Other receivables	15,473	13,825	197	118
Receivables from related parties	4	3	128,533	133,115
Deferred contract costs	1,695	3,734	-	-
Supplies and spare parts	1,877	2,519	-	-
Short-term loans to related parties	-	-	50,627	130,008
Dividends receivable	-	6,752	-	9,600
Total current assets	174,069	199,029	228,184	295,831
<i>Non-current assets</i>				
Restricted deposit at financial institution	7,977	5,849	-	-
Investments in associates and joint venture	86,324	74,797	213	213
Investments in subsidiaries	-	-	192,319	122,177
Investment properties	619	699	2,197	2,481
Property, plant and equipment	198,192	214,262	142	205
Goodwill	2,066	2,066	-	-
Intangible assets	229	301	71	73
Deferred tax assets	2,448	2,507	11	26
Other non-current assets	161	295	33	37
Total non-current assets	298,016	300,776	194,986	125,212
Total assets	472,085	499,805	423,170	421,043



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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 December 2016 <i>(in thousand US Dollar)</i>	31 December 2015 <i>(in thousand US Dollar)</i>	31 December 2016 <i>(in thousand US Dollar)</i>	31 December 2015 <i>(in thousand US Dollar)</i>
Liabilities and equity				
<i>Current liabilities</i>				
Short-term loans from financial institution	-	3,613	-	-
Trade accounts payable	5,764	12,073	-	-
Other payables	35,636	50,769	36,332	36,630
Current portion of long-term loans from financial institutions	9,890	103,770	-	-
Current portion of finance lease liabilities	11	24	-	-
Income tax payable	234	2,678	8	754
Total current liabilities	51,535	172,927	36,340	37,384
<i>Non-current liabilities</i>				
Long-term loans from financial institutions	79,615	-	-	-
Finance lease liabilities	1	17	-	-
Deferred tax liabilities	-	2,825	-	-
Employee benefit obligations	2,687	2,997	73	103
Total non-current liabilities	82,303	5,839	73	103
Total liabilities	133,838	178,766	36,413	37,487
<i>Equity</i>				
Share capital				
Authorised share capital	-	-	-	-
Issued and paid-up share capital	47,322	47,322	47,322	47,322
Premium on share capital	343,536	422,563	343,536	422,563
Differences arising from common control transactions	-	-	(7,406)	(7,406)
Retained earnings (Deficit)				
Appropriated	-	4,503	-	4,503
Unappropriated (Deficit)	(50,400)	(151,031)	3,277	(83,454)
Other components of equity	(1,801)	(1,790)	28	28
Equity attributable to owners of the Company	338,657	321,567	386,757	383,556
Non-controlling interests	(410)	(528)	-	-
Total equity	338,247	321,039	386,757	383,556
Total liabilities and equity	472,085	499,805	423,170	421,043



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

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

	As at 31 December 2016		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	9,901	-	9,901
Amount repayable after one year	79,616	-	79,616

	As at 31 December 2015		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	97,419	9,988	107,407
Amount repayable after one year	17	-	17

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

As at 31 December 2016, the Group’s property, plant and equipment with a net book value of US\$136.2 million (*31 December 2015: US\$145.1 million*) were registered to secure short-term and long-term facilities with financial institutions.

The restricted deposit at a financial institution of US\$5.7 million (*31 December 2015: US\$5.4 million*) is mainly related to pledge for a long-term loan from a Thai financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payments after the two-year grace period expired in September 2013.

As at 31 December 2016, the Group reclassified a portion of a long term loan from financial institution amounting to US\$79.6 million back to “Non-current liabilities”



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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 financial statements		
Year ended 31 December		
	2016	2015
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Profit (loss) for the year	17,226	(231,343)
<i>Adjustments for:</i>		
Depreciation	20,902	32,340
Amortisation	2,180	2,323
Interest income	(468)	(197)
Finance costs	3,477	3,410
Bad debt expenses	457	188
Net (gain) loss on disposals and write-offs of property, plant and equipment and intangible assets	10	(27)
Net impairment losses on property, plant and equipment and related supplies and spare parts	6	155,205
Impairment losses on goodwill	-	8,070
Unrealised loss (gain) on exchange rates	125	(422)
Employee benefit obligations	186	561
Non-refundable withholding taxes	7,770	13,448
Share of (profit) loss of investments in associates and joint venture, net off tax	(11,527)	50,362
Income tax expense (benefit)	(2,825)	529
Cash flows from operations before changes in operating assets and liabilities	37,519	34,447
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institution	(2,128)	(1,848)
Trade accounts receivable	49,151	(4,194)
Receivables from related parties	(1)	-
Other receivables	(389)	2,410
Supplies and spare parts	642	316
Other non-current assets	132	264
Trade accounts payable	(6,213)	(17,008)
Other payables	(22,112)	3,461
Exchange rate (gains) losses from translating financial statements	(12)	(1,355)
Cash generated from operating activities	56,589	16,493
Finance costs paid	(3,378)	(3,300)
Employee benefits paid	(509)	(332)
Income tax paid	(3,658)	(6,551)
Net cash from operating activities	49,044	6,310



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Consolidated financial statements

Year ended 31 December

2016 2015

(in thousand US Dollar)

Cash flows from investing activities

Interest received	319	203
Dividends received from associates	6,752	6,752
Increase in short-term deposit at financial institution	(27,950)	-
Payment for investments in subsidiaries	-	(1,739)
Proceeds from disposals of property, plant and equipment and intangible assets	65	282
Payment for purchases of property, plant and equipment and intangible assets	(5,382)	(25,131)
Net cash used in investing activities	(26,196)	(19,633)

Cash flows from financing activities

Dividends paid to shareholders	-	(12,296)
Finance lease payments	(24)	(41)
Proceeds from short-term loans from financial institutions	-	7,989
Repayments of short-term loans from financial institutions	(3,613)	(4,376)
Repayments of long-term loans from financial institutions	(14,375)	(9,000)
Net cash used in financing activities	(18,012)	(17,724)
Net increase (decrease) in cash and cash equivalents	4,836	(31,047)
Cash and cash equivalents at 1 January	57,411	89,408
Effects of exchange rate changes on balances held in foreign currencies	(430)	(950)
Cash and cash equivalents at 31 December	61,817	57,411

Non-cash transactions

Receivable for sales of property, plant and equipment	23	16
Payables for purchase of property, plant and equipment and intangible assets	-	470
Finance lease agreements for purchases of equipment	12	40
Dividend receivable	-	6,752



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

	Consolidated financial statements										
	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	Unappropriated (Deficit)	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>											
Year ended 31 December 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 for the year											
Profit or loss	-	-	-	17,107	-	-	-	-	17,107	119	17,226
Defined benefit plan actuarial losses, net of tax	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Exchange differences on translating financial statements	-	-	-	-	(11)	-	-	(11)	(11)	(1)	(12)
Total comprehensive income for the year	-	-	-	17,101	(11)	-	-	(11)	17,090	118	17,208
Transfer premium on share capital to compensate for deficit	-	(79,027)	-	79,027	-	-	-	-	-	-	-
Transfer legal reserve to compensate for deficit	-	-	(4,503)	4,503	-	-	-	-	-	-	-
Balance at 31 December 2016	47,322	343,536	-	(50,400)	1,337	28	(3,166)	(1,801)	338,657	(410)	338,247



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	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	Unappropriated (Deficit)	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>											
Year ended 31 December 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											
Distributions to owners of the Company											
Dividends to owners of the Company	-	-	-	(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 year											
Profit or loss	-	-	-	(229,112)	-	-	-	-	(229,112)	(2,231)	(231,343)
Defined benefit plan actuarial losses, net of tax	-	-	-	99	-	-	-	-	99	-	99
Exchange differences on translating financial statements	-	-	-	-	(1,289)	-	-	(1,289)	(1,289)	(66)	(1,355)
Total comprehensive income (loss) for the year	-	-	-	(229,013)	(1,289)	-	-	(1,289)	(230,302)	(2,297)	(232,599)
Balance at 31 December 2015	47,322	422,563	4,503	(151,031)	1,348	28	(3,166)	(1,790)	321,567	(528)	321,039



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	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transaction	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Appropriated	Unappropriated (Deficit)		
						Share-based payment	
<i>(in thousand US Dollar)</i>							
Year ended 31 December 2016							
Balance at 1 January 2016	47,322	422,563	(7,406)	4,503	(83,454)	28	383,556
Comprehensive income for the year							
Profit or loss	-	-	-	-	3,169	-	3,169
Defined benefit plan actuarial losses, net of tax	-	-	-	-	32	-	32
Total comprehensive income for the year	-	-	-	-	3,201	-	3,201
Transfer premium on share capital to compensate for deficit	-	(79,027)	-	-	79,027	-	-
Transfer legal reserve to compensate for deficit	-	-	-	(4,503)	4,503	-	-
Balance at 31 December 2016	47,322	343,536	(7,406)	-	3,277	28	386,757



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	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transaction	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Appropriated	Unappropriated (Deficit)		
<i>(in thousand US Dollar)</i>							
Year ended 31 December 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	-	-	-	-	(12,296)	-	(12,296)
<i>Total distributions to owners of the Company</i>	-	-	-	-	(12,296)	-	(12,296)
Total transactions with owners, recorded directly in equity	-	-	-	-	(12,296)	-	(12,296)
Comprehensive loss for the year							
Profit or loss	-	-	-	-	(83,287)	-	(83,287)
Total comprehensive loss for the year	-	-	-	-	(83,287)	-	(83,287)
Balance at 31 December 2015	47,322	422,563	(7,406)	4,503	(83,454)	28	383,556



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

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

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

As at 31 December 2016 and 31 December 2015, the issued and paid-up ordinary shares of the Company were 1,413,329,000 shares with a par value of Baht 1 per share.

As at 31 December 2016 and 31 December 2015, 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 ended on 31 December 2016. (31 December 2015: none)

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

The figures have been audited in accordance with the Thai Standards on Auditing ("TSA") by the Company's independent auditor, KPMG Phoomchai Audit Limited.

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

The signed auditor's unqualified audit report and key audit matters are on pages 1 to 4 of the audit consolidated and Company financial statements for the year that ended on 31 December 2016, which are reported together with this announcement and available on the SGX's website and the Company's website.

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

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



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

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

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

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

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the year ended 31 December 2016 and 2015 were based on the profit (loss) for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	Consolidated financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar/ thousand shares)</i>		<i>(in thousand Baht/ thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	17,107	(229,112)	600,842	(8,102,998)
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329	1,413,329	1,413,329
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
Earnings (losses) per share (basic)	0.012	(0.162)	0.425	(5.733)

	Separate financial statements			
	2016	2015	2016	2015
	<i>(in thousand US Dollar/ thousand shares)</i>		<i>(in thousand Baht/ thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	3,169	(83,287)	112,857	(2,951,010)
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329	1,413,329	1,413,329
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
Earnings (losses) per share (basic)	0.002	(0.059)	0.080	(2.088)



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Diluted earnings (losses) per share

The calculations of diluted losses per share for the year ended 31 December 2015 were based on the loss for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements	
	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(229,112)</u>	<u>(8,102,998)</u>
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329
Effect from employee share option plan	<u>23</u>	<u>23</u>
Number of ordinary shares outstanding (diluted)	<u>1,413,352</u>	<u>1,413,352</u>
Losses per share (diluted)	<u><i>(in US dollar)</i> (0.162)</u>	<u><i>(in Baht)</i> (5.733)</u>
	Separate financial statements	
	2015 <i>(in thousand US Dollar/ thousand shares)</i>	2015 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(83,287)</u>	<u>(2,951,010)</u>
Number of ordinary shares outstanding (basic)	1,413,329	1,413,329
Effect from employee share option plan	<u>23</u>	<u>23</u>
Number of ordinary shares outstanding (diluted)	<u>1,413,352</u>	<u>1,413,352</u>
Losses per share (diluted)	<u><i>(in US dollar)</i> (0.059)</u>	<u><i>(in Baht)</i> (2.088)</u>

There was no potential dilution in earning per share from the employee share option plan for the year ended 31 December 2016 because all the employee share option expired on 15 December 2016.



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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-Dec-16 USD	31-Dec-15 USD	31-Dec-16 USD	31-Dec-15 USD
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of the respective year				
- Ordinary share (Basic)	0.24	0.23	0.27	0.27
- Weighted average ordinary share (Diluted)	0.24	0.23	0.27	0.27

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

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

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

Consolidated Income Statements

The Group recorded decrease in service income by 45.0% or approximately of US\$151.3 million from US\$336.6 million in FY2015

The Group reported gross profit in FY2016 of US\$33.0 million, equivalent to FY2015.

The Group recorded administrative expenses of US\$28.6 million, a decrease in administrative expenses of US\$20.5 million or approximately 41.7% from FY2015. This was primarily due to cost saving and rightsizing exercise.

Subsea Group reported service income in FY2016 of US\$185.2 million, a decrease of US\$151.3 million, or 45.0%, compared to FY2015. This was primarily due to a decrease of cable lay projects, lower utilization of certain performing vessels and day rate deduction from certain IRM projects.

Subsea Group generated gross profit in FY2016 of US\$33.7 million, a decrease of US\$7.8 million, or 18.7% compared to gross profit in FY2015 even though service income decrease 45.0%. This was primarily due to significant reduction of both owned and chartered-in vessel running costs.

Drilling reported nil service income in FY2016, a decrease of US\$0.1 million, or 100.0%, compared to FY2015. This was primarily due to management's decision to cold stack rigs.



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Drilling group generated gross losses in FY2016 of US\$0.8 million, a decrease of US\$7.7 million from gross losses of US\$8.5 million in FY2015. This was mainly due to management's decision to cold stack rigs.

Share of Investments in Associate, Joint venture, Impairment losses, Finance Costs, and Income Taxes

The share of profits from AOD* investment in FY2016 was US\$10.6 million, an increase of US\$61.7 million, compared to the share losses of US\$51.0 million in FY2015, mainly due to an impairment losses on AOD's rigs amounting to US\$65 million. AOD's performance remains profitable despite significant day rate reduction from ARAMCO was primarily due to cost saving program implemented by AOD's managements.

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

Finance costs in FY2016 were US\$3.5 million, a decrease of US\$0.1 million, or 2.0% compared to FY2015. Even though the Group made repayment loan of US\$18.0 million during the year but interest rate increased by approximately 60 basis points.

Income tax benefits in FY2016 were US\$2.8 million, an increase of US\$3.4 million, or 634.0% compared to income tax expenses of US\$0.5 million in FY2015. This was primarily due to reversal of deferred tax liabilities in a subsidiary.

Profits for the year

As a result, the Group reported net profit in FY2016 of US\$17.2 million, an increase of US\$248.5 million from net losses of US\$231.3 million in FY2015.

Business Segment Analysis

Subsea Group reported profit before finance costs, income tax expense and share of profit of investment in joint venture in FY2016 of US\$7.1 million, an increase of US\$75.9 million compared to FY2015. This was primarily due to an impairment losses on vessels and goodwill in 4Q2015. Additionally Subsea's performance remains profitable despite revenue decrease is mainly due to significant reduction of both owned and chartered-in vessel running costs and administrative costs saving exercise.

Drilling Group reported loss before finance costs and income tax expense in FY2016 of US\$0.5 million, a decrease of US\$91.6 million compare to FY2015. This was mainly due to impairment losses recognised in 4Q2015.

Holding Group reported breakeven before finance costs, income tax expense and share of profit (loss) of investment in associate in FY2016, an increase of US\$15.3 million from losses in FY2015. This was primarily due to gain on exchange rates in FY2016 against loss on exchange rates in FY2015.



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Consolidated Balance Sheets

Current assets were US\$174.1 million, a decrease of US\$25.0 million, or 12.5%, from 31 December 2015. The decrease was primarily due to a decrease in account receivable of US\$49.5 million in line with sales decrease and effective collection, dividend receivable of US\$6.8 million and others 1.1 million offset against an increase of cash and cash equivalent and short term deposit at financial institution of US\$4.4 million and US\$28.0 million, respectively.

Non-current assets were US\$298.0 million, a decrease of US\$2.8million, or 0.9%, compared to 31 December 2015, mainly due to property, plant and equipment decrease of US\$16.1 million. (due to depreciation and amortization expenses), offset against increase of investment in associates and joint venture of US\$11.5 million due to share of profits recorded during the period and increase of restricted deposit at financial institution amounting to US\$2.1 million arose from cash pledge for bank guarantee.

Current liabilities were US\$51.5 million, a decrease of US\$121.4 million, or 70.2%, from 31 December 2015. This was primarily due to reclassification of a portion of long-term loan from financial institution to “Non-current liabilities” in amount of 79.6 million due to the Group has not breached any loan covenants as at 31 December 2016, repayment of short-term loan US\$3.6 million, repayment of long-term loans US\$14.4 million, decrease of trade payable, other payables and tax payables amounting to US\$6.3 million, US\$15.1 million and US\$2.4 million, respectively.

Non-current liabilities were US\$82.3 million, an increase of US\$76.5 million, or 1,309.5%, compared to 31 December 2015. This was primarily due to reclassification of a portion of long-term loan from financial institution to “Non-current liabilities”, offset against reversal of deferred tax liabilities in a certain subsidiary amounting to US\$2.8 million.

Equity was US\$338.2 million, an increase of US\$17.2 million, or 5.4%, from 31 December 2015, mainly due to net profits for the year.

Working Capital

The Company’s working capital was US\$122.5 million, an increase of US\$96.4 million, or 369.4%, from US\$26.1 million at 31 December 2015. This was mainly due to reclassification of a portion of long-term loan from financial institution to “Non-current liabilities” and effective collection of accounts receivable.

Consolidated Cash Flow Statements

The Company had net cash from operating activities for the year ended 31 December 2016 of US\$49.0 million, compared to US\$6.3 million in the corresponding period ended 31 December 2015 mainly due to effective collection of trade receivables especially in Middle East region.

The Company had net cash used in investing activities of US\$26.2 million, primarily due to increase of short-term deposit at financial institution of US\$28.0 million and payment for purchase of property, plant and equipment of US\$5.4 million. Offset against dividend received from its associated company of US\$6.8 million.



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The Company had net cash used in financing activities of US\$ 18.0 million, primarily due to loan repayment to financial institutions.

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.

The global oil and gas industry continues to experience significant challenges in light of the current oil price environment. Oil prices have gradually stabilizing in the fourth quarter of 2016 (Brent US\$51.06/bbl average), the higher and more stable oil price will be a trigger point on inspection, repair and maintenance activities in Oil and Gas industry.

Oil and gas operators have reduced budgets and non-essential and/or non-profitable projects have been generally put on hold or cancelled. The flow down effect has affected contractors across the supply chain with many reportedly facing financial difficulties and some ceasing operations. The industry has entered a credit void for offshore debt and oil service stocks are testing all time lows. Cost optimization and project re-evaluation is noted to be gathering pace. The rebalancing process is volatile and appears to be underway. Oil fundamentals are showing silent stability which sets the path for recovery. However, there is no indication that the level of business activity will improve in the near term through 2017.

The subsea business remains the Group priority. Inspection, repair and maintenance services in shallow water production fields continue to contribute to the Group's performance. The Group is actively pursuing any new work including additional survey, cable lay, decommissioning projects, and engineering related services with the aim to maintain profitability levels. The Group is leveraging on its reputation and stability to access additional geographical markets and to cross-sell its services across regions in order to position itself as a key contractor of choice.

There is otherwise no activity in tender rig drilling and the 'MTR-1' and 'MTR-2' remain cold stacked and marketed for sale. The Group's two newbuild tender rigs 'MTR-3' and 'MTR-4' and the DP2 Subsea Dive Construction and Support Vessel under construction in China contracts have been cancelled by mutual agreement, remaining financial obligation USD 378.8m for all of three newbuilds have been cancelled. The Group had mitigated its downside risks on earnings since 2015 by recorded as asset-impairment.

Cash preservation remains a top priority. In the fourth quarter of 2016, the Group continued to execute its cost savings program to counter the negative effect of the market downturn whilst aiming to maintain safety, quality and efficiency.

The Group's balance sheet remains in a strong position with net positive cash balance which is expected to financially help the Group weather the downturn better. The Group is also well



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positioned to capitalize on opportunistic expansion if and when potential distressed assets become available for sale.

In our drilling business joint venture under Asia Offshore Drilling (“AOD”), the Group’s three high specification jack-up drilling rigs still remained near full utilization during the fourth quarter of 2016. AOD III had successfully contract extended until the end of December 2019, the renewal for AOD III and also AOD I and AOD II contracts in last quarter have reduced earning uncertainty for next 3 years.

AOD’s liquidity requirements relate to servicing debt amortizations, interest payments, and funding working capital requirements. Sources of liquidity include existing cash balances, and bareboat revenues. AOD has historically relied on the cash generated from operations to meet working capital needs, and on funding provided by its majority shareholder Seadrill Limited (“Seadrill”). AOD’s \$360 million Senior Secured Credit Facility (“SSCF”) is guaranteed by Seadrill, and cross default clauses exist between this facility and Seadrill's other credit facilities. The outstanding balance of the SSCF as at December 31, 2016 is \$237 million, of which \$36 million is classified as current liabilities. The SSCF matures in April 2018 with a balloon payment of \$180 million.

As a result of the downturn in the offshore drilling industry, Seadrill will be required to obtain additional liquidity to fully meet its short term liquidity requirements over the next twelve months. As part of the Seadrill group’s refinancing program, AOD’s SSCF is also being refinanced. Over the past year Seadrill has engaged discussions with its banks, potential new investors, and bondholders to extend approximately \$8 billion in first lien secured debt and raise \$1 billion of new capital. Seadrill are targeting reaching an agreement prior to April 30, 2017, and Seadrill expects the implementation of an agreement to occur during the second quarter of 2017. Seadrill are also actively preparing various contingency plans in the event a consensus agreement is not reached. AOD’s going concern assumption is based on management’s expectation that Seadrill’s refinancing program will be completed successfully.

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

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

Nil

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

Nil

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

Nil



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

Nil

(d) The date the dividend is payable.

Not applicable

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

Not applicable

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

Not applicable

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

There is no mandate from shareholders for IPTs. Nevertheless, the details of the aggregate value of interested person transactions of the Company for the year ended 31 December 2016 is as follows:

Mermaid Maritime Public Company Limited		
Unaudited but reviewed results for the twelve-month period that ended on 31 December 2016		
Interested persons transactions for the year that ended on 31 December 2016		
Name of interested persons	Aggregate value of all interested persons transactions during the year that ended on 31 December 2016 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*)
	USD'000	USD'000
Service income	-	-
Cost of services	-	-

14. A reconciliation of difference between TFRS to IFRS.

There is no significant difference between TFRS and IFRS.



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Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Revenue and results, based on business segments, in the consolidated financial statements for the year ended 31 December 2016 and 2015 were as follows:

	Subsea group	Drilling group	Consolidated financial statements for the year ended 31 December 2016		Elimination	Group
			Holding	Total		
			<i>(in thousand US Dollar)</i>			
Revenue from rendering of services	185,249	-	-	185,249	-	185,249
Operating profit (loss)	7,064	(545)	48	6,567	(216)	6,351
Share of profit of investments in associates and joint venture	889	-	10,638	11,527	-	11,527
Finance costs	(3,560)	-	(134)	(3,694)	217	(3,477)
Income tax benefit	161	1,977	687	2,825	-	2,825
Profit for the year	4,554	1,432	11,239	17,225	1	17,226
			Consolidated financial statements as at 31 December 2016			
	Subsea group	Drilling group	Holding	Total	Elimination	Group
			<i>(in thousand US Dollar)</i>			
Cash and cash equivalents	39,010	1,524	21,283	61,817	-	61,817
Short-term deposit at financial institution	-	-	27,950	27,950	-	27,950
Trade accounts receivable	65,253	-	-	65,253	-	65,253
Investments in associates and joint venture	1,965	-	84,359	86,324	-	86,324
Property, plant and equipment	194,456	2,018	1,718	198,192	-	198,192
	300,684	3,542	135,310	439,536	-	439,536
Unallocated assets						32,549
Total assets						472,085



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	Consolidated financial statements as at 31 December 2016					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>					
Interest-bearing liabilities	89,517	-	-	89,517	-	89,517
	89,517	-	-	89,517	-	89,517
Unallocated liabilities						44,321
Total liabilities						133,838
Capital expenditure	4,826	47	38	4,911	-	4,911
Depreciation	20,530	15	357	20,902	-	20,902
Amortisation	110	1	30	141	-	141
Gain (loss) on disposal and write-off property, plant and equipment and intangible asset	33	(54)	11	(10)	-	(10)
Net impairment losses on property, plant and equipment	6	-	-	6	-	6
	Consolidated financial statements for the year ended 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>					
Revenue from rendering of services	336,561	54	-	336,615	(29)	336,586
Operating loss	(68,854)	(92,108)	(15,377)	(176,339)	(703)	(177,042)
Share of profit (loss) of investments in associates and joint venture	661	-	(51,023)	(50,362)	-	(50,362)
Finance costs	(4,114)	-	-	(4,114)	704	(3,410)
Income tax (expense) benefit	44	(87)	(486)	(529)	-	(529)
Loss for the year	(72,263)	(92,195)	(66,886)	(231,344)	1	(231,343)



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	Consolidated financial statements as at 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>					
Cash and cash equivalents	32,334	1,960	23,117	57,411	-	57,411
Trade accounts receivable	114,785	-	-	114,785	-	114,785
Investments in associates and joint venture	1,076	-	73,721	74,797	-	74,797
Property, plant and equipment	210,235	2,041	1,986	214,262	-	214,262
	358,430	4,001	98,824	461,255	-	461,255
Unallocated assets						38,550
Total assets						499,805
	Consolidated financial statements as at 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>					
Interest-bearing liabilities	107,424	-	-	107,424	-	107,424
	107,424	-	-	107,424	-	107,424
Unallocated liabilities						71,342
Total liabilities						178,766
Capital expenditure	20,723	2,384	63	23,170	-	23,170
Depreciation	24,784	7,117	439	32,340	-	32,340
Amortisation	248	1	34	283	-	283
Gain (loss) on disposal and write-off property, plant and equipment and intangible asset	38	(11)	-	27	-	27
Impairment losses on property, plant and equipment and related supplies and spare parts	71,404	83,801	-	155,205	-	155,205
Impairment losses on goodwill	8,070	-	-	8,070	-	8,070



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	Subsea group	Drilling group	Consolidated financial statements for the year ended 31 December 2016		Elimination	Group
			Holding	Total		
			<i>(in thousand Baht)</i>			
Revenue from rendering of services	6,533,377	-	-	6,533,377	-	6,533,377
Operating profit (loss)	244,623	(19,413)	2,412	227,622	(7,778)	219,844
Share of profit of investments in associates and joint venture	31,374	-	376,258	407,632	-	407,632
Finance costs	(125,810)	-	(4,727)	(130,537)	7,813	(122,724)
Income tax benefit	5,786	69,971	24,520	100,277	-	100,277
Profit for the year	155,973	50,558	398,463	604,994	35	605,029
			Consolidated financial statements as at 31 December 2016			
			<i>(in thousand Baht)</i>			
Cash and cash equivalents	1,397,755	54,606	762,585	2,214,946	-	2,214,946
Short-term deposit at financial institution	-	-	1,001,468	1,001,468	-	1,001,468
Trade accounts receivable	2,338,061	-	-	2,338,061	-	2,338,061
Investments in associates and joint venture	70,407	-	3,022,642	3,093,049	-	3,093,049
Property, plant and equipment	6,967,494	72,306	61,557	7,101,357	-	7,101,357
	10,773,717	126,912	4,848,252	15,748,881	-	15,748,881
Unallocated assets						1,166,252
Total assets						16,915,133



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	Consolidated financial statements as at 31 December 2016					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand Baht)</i>					
Interest-bearing liabilities	3,207,457	-	-	3,207,457	-	3,207,457
	3,207,457	-	-	3,207,457	-	3,207,457
Unallocated liabilities						1,588,051
Total liabilities						4,795,508
Capital expenditure	172,919	1,684	1,361	175,964	-	175,964
Depreciation	724,572	529	12,602	737,703	-	737,703
Amortisation	3,886	34	1,059	4,979	-	4,979
Gain (loss) on disposal and write-off property, plant and equipment and intangible asset	1,165	(1,911)	388	(358)	-	(358)
Impairment losses on property, plant and equipment	199	-	-	199	-	199

	Consolidated financial statements for the year ended 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand Baht)</i>					
Revenue from rendering of services	11,526,440	1,849	-	11,528,289	(993)	11,527,296
Operating loss	(2,484,314)	(3,287,581)	(526,627)	(6,298,522)	(24,076)	(6,322,598)
Share of profit (loss) of investments in associates and joint venture	22,638	-	(1,747,421)	(1,724,783)	-	(1,724,783)
Finance costs	(140,895)	-	-	(140,895)	24,110	(116,785)
Income tax (expense) benefit	1,507	(2,980)	(16,644)	(18,117)	-	(18,117)
Loss for the year	(2,601,064)	(3,290,561)	(2,290,692)	(8,182,317)	34	(8,182,283)



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	Consolidated financial statements as at 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	1,166,889	70,734	834,260	2,071,883	-	2,071,883
Trade accounts receivable	4,142,430	-	-	4,142,430	-	4,142,430
Investments in associates and joint venture	38,831	-	2,660,488	2,699,319	-	2,699,319
Property, plant and equipment	7,587,087	73,657	71,672	7,732,416	-	7,732,416
	12,935,237	144,391	3,566,420	16,646,048	-	16,646,048
Unallocated assets						1,391,215
Total assets						18,037,263
	Consolidated financial statements as at 31 December 2015					
	Subsea group	Drilling group	Holding	Total	Elimination	Group
	<i>(in thousand Baht)</i>					
Interest-bearing liabilities	3,876,782	-	-	3,876,782	-	3,876,782
	3,876,782	-	-	3,876,782	-	3,876,782
Unallocated liabilities						2,574,633
Total liabilities						6,451,415
Capital expenditure	747,865	86,035	2,274	836,174	-	836,174
Depreciation	848,795	243,741	15,035	1,107,571	-	1,107,571
Amortisation	8,494	34	1,164	9,692	-	9,692
Gain (loss) on disposal and write-off property, plant and equipment and intangible asset	1,302	(377)	-	925	-	925
Impairment losses on property, plant and equipment and related supplies and spare parts	2,558,825	3,003,086	-	5,561,911	-	5,561,911
Impairment losses on goodwill	289,196	-	-	289,196	-	289,196



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16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see review of performance in paragraph 8 above.

17. A breakdown of sales as follows:

	1st Half Year		Increase (Decrease) %
	Jan'16 – Jun'16	Jan'15 – Jun'15	
	6 month	6 month	
	USD'000	USD'000	
Service income reported for the period	89,243	168,241	-46.9%
Operating profits (loss) after tax before deducting minority interests reported for the period	9,009	(439)	2,152.2%

	2nd Half Year		Increase (Decrease) %
	Jul'16 – Dec'16	Jul'15 – Dec'15	
	6 month	6 month	
	USD'000	USD'000	
Service income reported for the period	96,006	168,345	-43.0%
Operating profits after tax before deducting minority interests reported for the period	8,217	(230,904)	103.6%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

(a) Ordinary

Please see paragraph 11 above.

(b) Preference

N/A

(c) Total

Please see paragraph 11 above.



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19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company in respect of the financial year ended 31 December 2016.

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

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

BY ORDER OF THE BOARD

Mr. Prasert Bunsumpun
Chairman of the Board
27 February 2016

Mr. Chalermchai Mahagitsiri
Chief Executive Officer
27 February 2016