



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 2017

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

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

	Consolidated financial statements		
	Three-month period ended		Change %
	2017	2016	
	31 March		
	<i>(in thousand US Dollar)</i>		
Income			
Revenue from rendering of services	36,539	39,613	-7.8%
Interest income	152	73	108.2%
Net gain on foreign exchange	409	-	100.0%
Other income	1,355	87	1,457.5%
Total income	38,455	39,773	-3.3%
Expenses			
Cost of rendering of services	32,153	38,024	-15.4%
Administrative expenses	5,812	4,511	28.8%
Net loss on foreign exchange	-	255	-100.0%
Finance costs	872	849	2.7%
Total expenses	38,837	43,639	-11.0%
Share of profit of investments in associates and joint venture	1,186	4,251	-72.1%
Profit before income tax expense	804	385	108.8%
Income tax (expense) benefit	(59)	853	-106.9%
Profit for the period	745	1,238	-39.8%
Other comprehensive income (loss):			
<i>Item that are or may be reclassified to profit or loss</i>			
Exchange differences on translating financial statements	(144)	(25)	476.0%
Other comprehensive loss for the period, net of income tax	(144)	(25)	476.0%
Total comprehensive income (loss) for the period	601	1,213	-50.5%
Profit (loss) attributable to:			
Owners of the Company	735	1,267	-42.0%
Non-controlling interests	10	(29)	-134.5%
Profit for the period	745	1,238	-39.8%
Total comprehensive income (loss) attributable to:			
Owners of the Company	591	1,244	-52.5%
Non-controlling interests	10	(31)	-132.3%
Total comprehensive income (loss) for the period	601	1,213	-50.5%
Earnings per share	<i>(in US Dollar)</i>		
Basic earnings per share	0.0005	0.0009	-42.2%
Depreciation and amortization	5,786	5,658	
Bad and doubtful debts expense	-	(133)	
Impairment losses on property, plant and equipment reversal	-	(50)	
Finance costs	872	849	



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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 three-month period ended 31 March.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Assets	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
<i>Current assets</i>				
Cash and cash equivalents	67,692	61,817	20,621	20,877
Short-term deposit at financial institution	27,950	27,950	27,950	27,950
Trade accounts receivable	56,583	65,253	-	-
Other accounts receivable	10,202	15,477	197	197
Receivables from related parties	-	-	132,521	128,533
Deferred contract costs	1,186	1,695	-	-
Supplies and spare parts	2,222	1,877	-	-
Short-term loans to related parties	-	-	52,656	50,627
Total current assets	165,835	174,069	233,945	228,184
<i>Non-current assets</i>				
Restricted deposit at financial institution	9,666	7,977	-	-
Investments in associates and joint venture	87,510	86,324	213	213
Investments in subsidiaries	-	-	192,319	192,319
Investment properties	601	619	2,127	2,197
Property, plant and equipment	193,632	198,192	138	142
Goodwill	2,066	2,066	-	-
Intangible assets	216	229	63	71
Deferred tax assets	2,499	2,448	11	11
Other non-current assets	126	161	32	33
Total non-current assets	296,316	298,016	194,903	194,986
Total assets	462,151	472,085	428,848	423,170



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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2017 <i>(in thousand US Dollar)</i>	31 December 2016 <i>(in thousand US Dollar)</i>	31 March 2017 <i>(in thousand US Dollar)</i>	31 December 2016 <i>(in thousand US Dollar)</i>
Liabilities and equity				
<i>Current liabilities</i>				
Trade accounts payable	5,185	5,764	-	-
Other accounts payable	27,666	35,636	36,038	36,332
Current portion of long-term loans from financial institutions	10,890	9,890	-	-
Current portion of finance lease liabilities	13	11	-	-
Income tax payable	269	234	8	8
Total current liabilities	44,023	51,535	36,046	36,340
<i>Non-current liabilities</i>				
Long-term loans from financial institutions	76,643	79,615	-	-
Finance lease liabilities	13	1	-	-
Employee benefit obligations	2,624	2,687	77	73
Total non-current liabilities	79,280	82,303	77	73
Total liabilities	123,303	133,838	36,123	36,413
<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	343,536	343,536	343,536
Differences arising from common control transactions	-	-	(7,406)	(7,406)
Retained earnings (Deficit)				
Appropriated	-	-	-	-
Unappropriated (Deficit)	(49,411)	(50,400)	9,245	3,277
Other components of equity	(2,199)	(1,801)	28	28
Equity attributable to owners of the Company	339,248	338,657	392,725	386,757
Non-controlling interests	(400)	(410)	-	-
Total equity	338,848	338,247	392,725	386,757
Total liabilities and equity	462,151	472,085	428,848	423,170

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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 March 2017		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	10,903	-	10,903
Amount repayable after one year	76,656	-	76,656

	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

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

As at 31 March 2017, the Group's property, plant and equipment with a net book value of US\$134.1 million (*31 December 2016: US\$136.2 million*) were registered to secure short-term and long-term facilities with financial institutions.

The restricted deposit at a financial institution of US\$9.7 million (*31 December 2016: US\$8.0 million*) is mainly related to pledge for a long-term loan from a Thai financial institution amounting to US\$5.7 million. 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. Additionally, it's related to pledge for an issuance of bank guarantee, for chartering certain equipment, amounting to US\$2.0 million.



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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

Three-month period ended
31 March

2017 2016

(in thousand US Dollar)

Cash flows from operating activities

Profit for the period	745	1,238
<i>Adjustments for:</i>		
Depreciation	5,243	5,108
Amortisation	543	550
Interest income	(152)	(73)
Finance costs	872	849
Bad and doubtful debts expense reversal	-	(133)
Gains from liquidation of a subsidiary	(145)	-
Gains on disposals of property, plant and equipment	(6)	(18)
Impairment loss on property, plant and equipment reversal	-	(50)
Reversal of non-refundable withholding tax	(1,146)	-
Non-refundable withholding tax	568	984
Unrealised (gain) loss on exchange rates	(436)	315
Employee benefit obligations	177	234
Share of profit of investments in associates and joint venture, net of income tax	(1,186)	(4,251)
Income tax expense (benefit)	59	(853)
Cash flows from operations before changes in operating assets and liabilities	5,136	3,900
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institution	(1,689)	(86)
Trade accounts receivable	8653	25,475
Other accounts receivable	5,780	(1,887)
Supplies and spare parts	(345)	(130)
Other non-current assets	35	131
Trade accounts payable	(641)	(6,265)
Other accounts payable	(7,401)	(5,454)
Exchange rate (gains) losses from translating financial statements	1	(25)
Cash generated from operating activities	9,529	15,659
Finance costs paid	(853)	(830)
Employee benefits paid	(240)	(73)
Income tax paid	(693)	(2,036)
Net cash from operating activities	7,743	12,720



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Three-month period ended
31 March
2017 2016
(in thousand US Dollar)

Cash flows from investing activities

Interest received	234	46
Dividends received from associates	-	6,752
Proceeds from disposals of property, plant and equipment and intangible assets	36	34
Payment for purchases of property, plant and equipment and intangible assets	(645)	(916)
Net cash from (used in) investing activities	(375)	5,916

Cash flows from financing activities

Finance lease payments	(7)	(8)
Repayment of short-term loans from financial institutions	-	(1,897)
Repayment of long-term loans from financial institutions	(2,000)	(2,750)
Net cash used in financing activities	(2,007)	(4,655)

Net increase in cash and cash equivalents

Cash and cash equivalents at 1 January	61,817	57,411
Effects of exchange rates	514	264
Cash and cash equivalents at 31 March	67,692	71,656

Non-cash transactions

Receivables for sales of property, plant and equipment and intangible assets	2	14
Payables for purchase of property, plant and equipment and intangible assets	48	1
Finance lease agreements for purchases of equipment	26	33



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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	Deficit	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>											
Three-month period ended 31 March 2017											
Balance at 1 January 2017	47,322	343,536	-	(50,400)	1,337	28	(3,166)	(1,801)	338,657	(410)	338,247
Transactions with owners, recorded directly in equity											
Distributions to owners of the Company											
Liquidation of a subsidiary	-	-	-	254	-	-	-	-	254	-	254
Total distributions to owners of the Company	-	-	-	254	-	-	-	-	254	-	254
Total transactions with owners, recorded directly in equity	-	-	-	254	-	-	-	-	254	-	254
Comprehensive income (loss) for the period											
Profits or loss	-	-	-	735	-	-	-	-	735	10	745
Exchange differences on translating financial statements	-	-	-	-	(144)	-	-	(144)	(144)	-	(144)
Total comprehensive income (loss) for the period	-	-	-	735	(144)	-	-	(144)	591	10	601
Balance at 31 March 2017	47,322	343,536	-	(49,665)	1,193	28	(3,166)	(1,945)	339,248	(400)	338,848



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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	Deficit	Currency translation differences	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>											
Three-month period ended 31 March 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
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the period											
Profits or loss	-	-	-	1,267	-	-	-	-	1,267	(29)	1,238
Exchange differences on translating financial statements	-	-	-	-	(23)	-	-	(23)	(23)	(2)	(25)
Total comprehensive income (loss) for the period	-	-	-	1,267	(23)	-	-	(23)	1,244	(31)	1,213
Balance at 31 March 2016	47,322	422,563	4,503	(149,764)	1,325	28	(3,166)	(1,813)	322,811	(559)	322,252



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	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Appropriated	Unappropriated		
<i>(in thousand US Dollar)</i>							
Three-month period ended 31 March 2017							
Balance at 1 January 2017	47,322	343,536	(7,406)	-	3,277	28	386,757
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends paid to the owners of the Company	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Comprehensive income for the period							
Profit or loss	-	-	-	-	5,968	-	5,968
Total comprehensive income for the period	-	-	-	-	5,968	-	5,968
Balance at 31 March 2017	47,322	343,536	(7,406)	-	9,245	28	392,725



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	Issued and paid-up share capital	Premium on share capital	Differences arising from common control transactions	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Appropriated	Unappropriated		
<i>(in thousand US Dollar)</i>							
Three-month period ended 31 March 2016							
Balance at 1 January 2016	47,322	422,563	(7,406)	4,503	(83,454)	28	383,556
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends paid to the owners of the Company	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Comprehensive income for the period							
Profit or loss	-	-	-	-	6,202	-	6,202
Total comprehensive income for the period	-	-	-	-	6,202	-	6,202
Balance at 31 March 2016	47,322	422,563	(7,406)	4,503	(77,252)	28	389,758



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

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

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

As at 31 March 2017 and 31 December 2016, the issued and paid-up ordinary shares of the Company were 1,413,329,000 shares with a par value of Baht 1 per share, respectively.

As at 31 March 2017 and 31 December 2016 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 2017.

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

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

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

The Independent Auditor's Report on Review of Interim Financial Information is on pages 1 of the interim consolidated and the Company financial statements for the three-month period ended on 31 March 2017, which are reported together with this announcement and available on 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.

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

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

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

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

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month periods ended 31 March 2017 and 2016 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>735</u>	<u>1,267</u>	<u>25,810</u>	<u>45,189</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
Earnings (losses) per share (basic)	<u>0.0005</u>	<u>0.0009</u>	<u>0.0183</u>	<u>0.0320</u>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
<i>Three-month period ended 31 March</i>	Separate financial statements			
	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2016 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>	2016 <i>(in thousand Baht/ thousand shares)</i>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>5,968</u>	<u>6,202</u>	<u>209,567</u>	<u>221,210</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
Earnings (losses) per share (basic)	<u>0.0042</u>	<u>0.0044</u>	<u>0.1483</u>	<u>0.1565</u>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	



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

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

	Consolidated		Company	
	31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16
	USD	USD	USD	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	0.24	0.24	0.28	0.27
<i>Remark: Net asset value = Total equity attributable to owners of the Company</i>				

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 service income of US\$36.5 million, a decrease in service income by US\$3.1 million or approximately 7.8% from US\$39.6 million for the corresponding period.

The Group reported a gross profit for the three months period ended 31 March 2017 of US\$4.4 million, an increase of US\$2.8 million from the corresponding period compared to gross profit of US\$1.6 million at the end of 31 March 2016.

The Group recorded other income for the three months period ended 31 March 2017 of US\$1.4 million, an increase of US\$1.3 million from the corresponding period which was primarily due to the reversal of the provision relating to tax refund received in 1Q2017 of US\$1.2 million in one of subsidiary and gain from liquidation of a subsidiary amounting to US\$0.1 million.

The Group recorded administrative expenses of US\$5.8 million, an increase in administrative expenses of US\$1.3 million or approximately 28.9% from US\$4.5 million for the corresponding period. This was primarily due to reversal of accrued bonus amounting to approximately US\$2.9 million in 1Q2016. After rationalize by adding back reversal of accrued bonus, administrative expenses in 1Q2017 was reduced by US\$1.6 million due to cost saving exercise.

Subsea Group reported service income for the three months period ended 31 March 2017 of US\$36.5 million, a decrease of US\$3.1 million, or 7.8%, compared to the corresponding period due to decrease of cable lay project and day rate reduction in certain IRM activities, even though utilization of high performing vessels slightly increased in this quarter.



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Subsea Group generated gross profit for the three months period ended 31 March 2017 of US\$4.5 million, an increase of US\$2.7 million compared to the corresponding period ended 31 March 2016. This was primarily due to significant reduction of charter-in vessels costs as well as owned vessels running costs as result of cost saving exercise.

Drilling Group's reported nil service income for the three months period ended 31 March 2017 as same as the corresponding period.

Drilling group generated gross loss for the three months period ended 31 March 2017 of US\$0.2 million, a slight decrease of US\$0.1 million compared to the corresponding period due to rate reduction of berthing cost after management's negotiation.

Share of Investments in Associate, Jointly-controlled entity, Finance Costs, and Income Taxes

The share of profits from AOD* investment for the three months period ended 31 March 2017 was US\$1.2 million, compared to US\$4.2 million in corresponding prior period. This was primarily due to an adjustment of bare boat charter rate in FY2016 to reflect day rate reduction from Saudi Aramco.

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

Income tax expenses for the three months period ended 31 March 2017 was US\$0.1 million, a decrease of US\$0.8 million, compared to income tax benefit of US\$0.9 million in the corresponding prior period. This was primarily due to reversal of deferred tax liabilities during 1Q2016 resulting from the decrease of share profits of investment in AOD.

Profit for the period

As a result, the Group reported net profits for the three months period ended 31 March 2017 of US\$0.7 million, a decrease of US\$0.5 million from net profits of US\$1.2 million as reported in the last three months period ended 31 March 2016.

Business Segment Analysis

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 31 March 2017 of US\$1.7 million which including FX loss of US\$2.4 million. The Subsea Group losses decreased by US\$3.7 million; compared to the last three month period ended 31 March 2016, as result of significant reduction of charter-in vessels costs as well as owned vessels running costs as a result of cost saving exercise.

Drilling Group reported loss before finance costs and income tax expense for the three months period ended 31 March 2017 of US\$0.2 million, which is a decrease of US\$0.4 million, compared to corresponding period ended 31 March 2016. This was primary due to FX gain of US\$0.4 million, which arose from inter-company balances.



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Consolidated Balance Sheets

Current assets US\$165.8 million, a decrease of US\$8.2 million, or 4.7%, from 31 December 2016. The decrease was primarily due to a decrease in trade receivable of US\$8.7 million in line with sales decrease, offset of tax assets amounting to US\$5.3 million and an increase in cash and cash equivalent balances of US\$5.9 million.

Non-current assets were reported at US\$296.3 million, a decrease of US\$1.7 million, or 0.6%, compared to 31 December 2016, mainly due to property, plant and equipment decrease of US\$4.6 million. The decrease was primarily due to depreciation and amortization expenses, offset against increase of investment in associates and joint venture of US\$1.2 million due to share profits recorded in this quarter and increase of restricted cash arise from cash pledge for issuance of bank guarantees.

Current liabilities amounted to US\$44.0 million, a decrease of US\$7.5 million, or 14.6%, from 31 December 2016, mainly due to decrease of other payables US\$8.0 million, trade accounts payables US\$0.6 million and an increase of current portion of long-term loan from financial institution US\$1.0 million according to loan repayment schedule.

Non-current liabilities were US\$79.3 million, a decrease of US\$3.0 million, or 3.7%, compared to 31 December 2016. This was primary due to a decrease of long-term loans from financial institutions US\$3.0 million due to loan repayment during this quarter.

Equity was recorded of US\$339.2 million, an increase of US\$0.6 million, or 0.2%, from 31 December 2016, mainly due to net profits in this period of US\$0.7 million.

Working Capital

The Company's working capital was US\$121.8 million, a decrease of US\$0.7 million, or 0.6%, from US\$122.5 million at 31 December 2016.

Consolidated Cash Flow Statements

The Company had net cash from operating activities for the three month period ended 31 March 2017 of US\$7.7 million which mainly arose from collection of trade accounts receivable.

The Company had net cash used in investing activities of US\$0.4 million, primarily due to payment for purchase of property, plant and equipment of US\$0.6 million offset against interest received of US\$0.2 million.

The Company had net cash used in financing activities of US\$ 2.0 million, primarily due to loan repayment to financial institutions.



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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.

Mermaid's priorities in next 12 months will be to continue to expand our service offerings to existing customers and to win new customers in order to grow our revenue base further. Mermaid will also continue to focus on optimizing performance and maximizing cost efficiencies in its businesses. We will continue to pursue potential mergers and acquisitions for immediate opportunistic growth.

The contracting companies within the oil and gas industry continue to face challenging times as a result of reduced CAPEX and Inspection, Repair & Maintenance (IRM) spending by the oil companies brought about by the depressed oil price, which although rising very slowly is not yet hitting levels associated with sustainable subsea activity.

However, the perception across the industry is that the lowest point in the cycle has in fact already passed, but what isn't clear is the length of time that it will take for the demand-supply equilibrium to rebalance such that more robust pricing levels can be achieved. Those contracting companies which have survived so far have done so as a result of aggressive cost cutting and consolidation where practical. Non-performing assets have been cold-stacked, sold or scrapped, and overhead trimmed down to the minimum necessary to keep operations running safely.

Recent commercial activity within the Group has focused on maintaining term contracts, even in the face of considerable customer & competitor price pressure. Commercial teams with the Group's home markets have been reinforced, and the cross-selling of services, notably survey, and vessel-enabled ROV and diving works, has been actively encouraged. Recently an in-house subsea engineering department has been established and this has had a significant impact on the type of work that the company has been able to win and execute. New markets, both geographically adjacent to 'home' markets where the Group has incumbency advantages, and in service lines which could employ comparable assets, such as decommissioning and renewables, are being explored with some success.

As a result of the downturn in the offshore drilling industry, there remains little activity in tender rig drilling and the 'MTR-1' and 'MTR-2' remain cold stacked and marketed for sale.

Cash preservation remains a top priority. In the first quarter of 2017, 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.



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

In our drilling business joint venture under Asia Offshore Drilling Limited ("AOD"), the Group's three high specification jack-up drilling rigs have performed strongly with near full utilization during the first quarter of 2017. The Group holds a 33.76 percent equity stake in AOD with the remaining held by Seadrill Limited ("Seadrill") and all three AOD jack-up rigs remain contracted to perform drilling services until 2019.

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. 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 March 31, 2017 is \$227 million, of which \$35 million is classified as current liabilities. The SSCF matures in April 2018 with a balloon payment of \$180 million.

As part of the Seadrill group's refinancing program, Seadrill has been engaged in discussions with its banks, potential new investors, existing stakeholders and bondholders in order to restructure its secured credit facilities and unsecured bonds, in order to raise new capital. AOD's SSSF are also being refinanced as part of the exercise. Based on Seadrill's report in its financial statements as at 31 December 2016, Seadrill expects that the implementation of its comprehensive restructuring plan will likely involve commencing schemes of arrangement in the United Kingdom or Bermuda or proceedings under Chapter 11 of the United States Bankruptcy Code.

Seadrill also reported that its restructuring discussions are well advanced and significant progress has been made. But until such time as their restructuring is completed, Seadrill has cautioned that uncertainty remains and therefore substantial doubt still exists over Seadrill's ability to continue as a going concern during the course of 2017. However, they have assured that their business operations remain unaffected by these restructuring efforts and Seadrill expects to meet its ongoing customer and business counterparty obligations during their restructuring process.

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



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

No dividend has been declared during the corresponding period.

(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 that ended on 31 March 2017 is as follows:

Mermaid Maritime Public Company Limited Reviewed results for the period that ended on 31 March 2017		
Interested persons transactions for the period that ended on 31 March 2017		
Name of interested persons	Aggregate value of all interested persons transactions during the year that ended on 31 March 2017 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	-	-



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14. A reconciliation of difference between TFRS to IFRS.

There is no significant difference between TFRS and IFRS.

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

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the First quarter that ended on 31 March 2017 of the Group and the Company to be false or misleading.

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

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

BY ORDER OF THE BOARD

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