



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)  
(Company Registration No. 0107550000017)

### *Financial Statements and Dividend Announcement for the Period Ended 30 June 2018*

#### **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 and six-month period ended 30 June.**

	<b>Consolidated financial statements</b>		
	Three-month period ended		
	2018	2017	Change %
	30 June		
	(in thousand US Dollar)		
<b>Revenues</b>			
Revenues from rendering of services	21,529	44,456	-51.6%
Interest income	145	168	-13.7%
Net gain on foreign exchange	-	194	-100.0%
Other income	84	52	61.5%
<b>Total revenues</b>	<b>21,758</b>	<b>44,870</b>	<b>-51.5%</b>
<b>Expenses</b>			
Costs of rendering of services	24,681	35,337	-30.2%
Administrative expenses	6,253	6,261	-0.1%
Net loss on foreign exchange	403	-	100%
Finance costs	1,010	896	12.7%
<b>Total expenses</b>	<b>32,347</b>	<b>42,494</b>	<b>-23.9%</b>
Share of profit of associates and joint venture	3,013	1,181	155.1%
<b>Profit (loss) before income tax expense</b>	<b>(7,576)</b>	<b>3,557</b>	<b>-313.0%</b>
Tax expense (income)	120	(60)	300.0%
<b>Profit (loss) for the period</b>	<b>(7,696)</b>	<b>3,617</b>	<b>-312.8%</b>
<b>Other comprehensive income (expense):</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	2	-	100%
<b>Other comprehensive income (expense) for the period, net of tax</b>	<b>2</b>	<b>-</b>	<b>100%</b>
<b>Total comprehensive income (expense) for the period</b>	<b>(7,694)</b>	<b>3,617</b>	<b>-312.7%</b>
<b>Profit (loss) attributable to:</b>			
Owners of parent	(7,703)	3,618	-312.9%
Non-controlling interests	7	(1)	800.0%
<b>Profit (loss) for the period</b>	<b>(7,696)</b>	<b>3,617</b>	<b>-312.8%</b>
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of parent	(7,701)	3,618	-312.9%
Non-controlling interests	7	(1)	800.0%
<b>Total comprehensive income (expense) for the period</b>	<b>(7,694)</b>	<b>3,617</b>	<b>-312.7%</b>
<b>Earnings per share</b>	(in US Dollar)		
Basic earnings (losses) per share	(0.0055)	0.0026	-312.9%
<b>Notes to the income statements</b>			
Depreciation and amortization	4,551	5,316	
Interest on borrowing	1,010	896	



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	<b>Consolidated financial statements</b>		
	Six-month period ended		
	2018	2017	Change %
	30 June		
	(in thousand US Dollar)		
<b>Revenues</b>			
Revenues from services	39,521	80,995	-51.2%
Interest income	284	320	-11.3%
Net gain on foreign exchange	200	603	-66.8%
Other income	2,216	1,407	57.5%
<b>Total revenues</b>	<b>42,221</b>	<b>83,325</b>	<b>-49.3%</b>
<b>Expenses</b>			
Costs of services	47,018	67,490	-30.3%
Administrative expenses	11,225	12,073	-7.0%
Finance costs	1,929	1,768	9.1%
<b>Total expenses</b>	<b>60,172</b>	<b>81,331</b>	<b>-26.0%</b>
Share of profit of associates and joint venture	4,309	2,367	82.0%
<b>Profit (loss) before income tax expense</b>	<b>(13,642)</b>	<b>4,361</b>	<b>-412.8%</b>
Tax expense	238	(1)	23900.0%
<b>Profit (loss) for the period</b>	<b>(13,880)</b>	<b>4,362</b>	<b>-418.2%</b>
<b>Other comprehensive income (expense):</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	2	(144)	101.4%
<b>Other comprehensive income (expense) for the period, net of tax</b>	<b>2</b>	<b>(144)</b>	<b>101.4%</b>
<b>Total comprehensive income (expense) for the period</b>	<b>(13,878)</b>	<b>4,218</b>	<b>-429.0%</b>
<b>Profit (loss) attributable to:</b>			
Owners of parent	(13,905)	4,353	-419.4%
Non-controlling interests	25	9	177.8%
<b>Profit (loss) for the period</b>	<b>(13,880)</b>	<b>4,362</b>	<b>-418.2%</b>
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of parent	(13,903)	4,209	-430.3%
Non-controlling interests	25	9	177.8%
<b>Total comprehensive income (expense) for the period</b>	<b>(13,878)</b>	<b>4,218</b>	<b>-429.0%</b>
<b>Earnings per share</b>	(in US Dollar)		
Basic earnings (losses) per share	(0.0098)	0.0031	-419.4%
<b>Notes to the income statements</b>			
Depreciation and amortization	8,782	11,102	
Bad and doubtful debts expenses	20	-	
Reversal of impairment losses on assets	(1,800)	-	
Finance costs	1,929	1,768	



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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>	
	30 June 2018 <i>(in thousand US Dollar)</i>	31 December 2017 <i>(in thousand US Dollar)</i>	30 June 2018 <i>(in thousand US Dollar)</i>	31 December 2017 <i>(in thousand US Dollar)</i>
<i>Current assets</i>				
Cash and cash equivalents	41,273	68,692	2,692	25,370
Current investments	17,329	-	-	-
Trade accounts receivable	43,161	62,147	-	-
Other accounts receivable	12,987	9,037	139,269	140,714
Supplies and spare parts	1,465	1,928	-	-
Short-term loans to related parties	-	-	16,813	62
<b>Total current assets</b>	<b>116,215</b>	<b>141,804</b>	<b>158,774</b>	<b>166,146</b>
<i>Non-current assets</i>				
Restricted deposit at financial institutions	15,094	12,802	4,375	4,375
Investments in associates	115,060	88,927	21,857	-
Investments in joint venture	2,080	2,047	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	501	541	1,774	1,914
Long-term loan to related party	-	-	54,692	55,506
Property, plant and equipment	177,479	182,872	179	204
Goodwill	2,066	2,066	-	-
Intangible assets	161	122	30	42
Advance payment for investment	-	17,275	-	17,275
Deferred tax assets	2,470	2,470	17	17
Other non-current assets	237	202	35	48
<b>Total non-current assets</b>	<b>315,148</b>	<b>309,324</b>	<b>240,131</b>	<b>236,553</b>
<b>Total assets</b>	<b>431,363</b>	<b>451,128</b>	<b>398,905</b>	<b>402,699</b>



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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2018 <i>(in thousand US Dollar)</i>	31 December 2017 <i>(in thousand US Dollar)</i>	30 June 2018 <i>(in thousand US Dollar)</i>	31 December 2017 <i>(in thousand US Dollar)</i>
<b>Liabilities and equity</b>				
<i>Current liabilities</i>				
Trade accounts payable	6,528	4,792	-	-
Other accounts payable	20,156	22,079	627	586
Current portion of long-term borrowings	11,890	11,890	-	-
Current portion of finance lease liabilities	47	47	-	-
Current income tax payable	296	75	-	-
<b>Total current liabilities</b>	<b>38,917</b>	<b>38,883</b>	<b>627</b>	<b>586</b>
<i>Non-current liabilities</i>				
Long-term borrowings	61,780	67,725	-	-
Finance lease liabilities	92	92	-	-
Provisions for employee benefits	2,268	2,244	96	87
<b>Total non-current liabilities</b>	<b>64,140</b>	<b>70,061</b>	<b>96</b>	<b>87</b>
<b>Total liabilities</b>	<b>103,057</b>	<b>108,944</b>	<b>723</b>	<b>673</b>
<i>Equity</i>				
Share capital				
Authorized share capital	-	-	-	-
Issued and paid share capital	47,322	47,322	47,322	47,322
Share premium on ordinary shares	343,536	343,536	343,536	343,536
Differences arising from common control transactions	-	-	(7,406)	(7,406)
Retained earnings (Deficit)				
Unappropriated (Deficit)	(59,957)	(46,052)	14,702	18,546
Other components of equity	(2,197)	(2,199)	28	28
<b>Equity attributable to owners of the parent</b>	<b>328,704</b>	<b>342,607</b>	<b>398,182</b>	<b>402,026</b>
Non-controlling interests	(398)	(423)	-	-
<b>Total equity</b>	<b>328,306</b>	<b>342,184</b>	<b>387,182</b>	<b>402,026</b>
<b>Total liabilities and equity</b>	<b>431,363</b>	<b>451,128</b>	<b>398,905</b>	<b>402,699</b>



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

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

	As at 30 June 2018		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	11,937	-	<b>11,937</b>
Amount repayable after one year	61,872	-	<b>61,872</b>

	As at 31 December 2017		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	11,937	-	<b>11,937</b>
Amount repayable after one year	67,817	-	<b>67,817</b>

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

As at 30 June 2018, the Group's property, plant and equipment with a net book value of US Dollar 125.9 million (*31 December 2017: US Dollar 126.8 million*) were registered to secure short-term and long-term facilities with financial institutions.

As at 30 June 2018, US Dollar 8.0 million (*31 December 2017: US Dollar 7.8 million*) of restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payment.

As at 30 June 2018, US Dollar 4.4 million (*31 December 2017: US Dollar 4.4 million*) of restricted deposit at a financial institution was deposited by the Company to secure the certain performance guarantee of a subsidiary.

As at 30 June 2018, US Dollar 2.7 million (*31 December 2017: US Dollar 0.6 million*) of restricted deposit at a financial institution was deposited by subsidiaries to secure the performance guarantee from the financial institution.



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

	Consolidated financial statements	
	Six-month period ended	
	30 June	
	2018	2017
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Profit (loss) for the period	(13,880)	4,362
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense (income)	238	(1)
Finance costs	1,929	1,768
Depreciation	8,730	10,015
Amortisation	52	1,087
Reversal of impairment losses on assets	(1,800)	-
Unrealised loss (gain) on exchange	546	(562)
Gain from revaluation of trading securities	(29)	-
Share of profit of associates and joint venture, net of tax	(4,309)	(2,367)
Bad and doubtful debts expenses	20	-
Losses on supplies and spare parts devaluation	277	-
Gains on disposals of property, plant and equipment and intangible assets	(241)	(6)
Interest income	(284)	(320)
Gains from liquidation of a subsidiary	-	(145)
Provision for employee benefits	168	376
Reversal of provision for non-refundable withholding tax	-	(1,020)
Loss from write-off non-refundable withholding tax	500	1,080
	<u>(8,083)</u>	<u>14,267</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institutions	(2,291)	(290)
Trade accounts receivable	18,952	(3,565)
Other accounts receivable	(3,787)	6,684
Supplies and spare parts	186	(363)
Other non-current assets	(35)	42
Trade accounts payable	1,751	(513)
Other accounts payable	(2,345)	(8,972)
Exchange rate losses from translating financial statements	2	1
Net cash generated from operating activities	4,350	7,291
Employee benefit paid	(144)	(415)
Taxes paid	(136)	(952)
<b>Net cash from operating activities</b>	<u><b>4,070</b></u>	<u><b>5,924</b></u>



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## Consolidated financial statements

Six-month period ended

30 June

2018                      2017

(in thousand US Dollar)

### *Cash flows from investing activities*

Increase in current investments	(17,300)	-
Proceeds from short-term deposit at financial institutions	-	5,000
Acquisition of investment in associate	(4,582)	-
Proceeds from sale of property, plant and equipment	4,044	38
Acquisition of property, plant and equipment and intangible assets	(5,478)	(1,112)
Interest received	236	343
<b>Net cash from (used in) investing activities</b>	<b>(23,080)</b>	<b>4,269</b>

### *Cash flows from financing activities*

Repayment of borrowings	(6,000)	(4,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	-	(13)
Finance costs paid	(1,883)	(1,720)
<b>Net cash used in financing activities</b>	<b>(7,883)</b>	<b>(5,733)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(26,893)	4,460
Effect of exchange rates changes on cash and cash equivalents	(526)	516
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(27,419)</b>	<b>4,976</b>
Cash and cash equivalents at beginning of period	68,692	61,817
<b>Cash and cash equivalents at ending of period</b>	<b>41,273</b>	<b>66,793</b>

### *Non-cash transactions*

Receivables for sales of property, plant and equipment	24	2
Payables for purchase of property, plant and equipment and intangible assets	838	331
Finance lease agreements for purchases of equipment	-	22
Transfer of advance payment for investment to investment in associates	17,275	-



## MERMAID MARITIME PUBLIC COMPANY LIMITED

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

Consolidated financial statements											
Other components of equity											
		Retained earnings/(Deficit)					Total	Equity			
Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	other components of equity	attributable to owners of parent	Non- controlling interests	Total equity	
<i>(in thousand US Dollar)</i>											
<b>Six-month period ended 30 June 2018</b>											
<b>Balance at 1 January 2018</b>	47,322	343,536	-	(46,052)	1,193	28	(3,420)	(2,199)	342,607	(423)	342,184
<b>Comprehensive income (expense) for the period</b>											
Profits or loss	-	-	-	(13,905)	-	-	-	-	(13,905)	25	(13,880)
Exchange differences on translating financial statements	-	-	-	-	2	-	-	2	2	-	2
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,905)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(13,903)</b>	<b>25</b>	<b>(13,878)</b>
<b>Balance at 30 June 2018</b>	<b>47,322</b>	<b>343,536</b>	<b>-</b>	<b>(59,957)</b>	<b>1,195</b>	<b>28</b>	<b>(3,420)</b>	<b>(2,197)</b>	<b>328,704</b>	<b>(398)</b>	<b>328,306</b>





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	Consolidated financial statements										
	Retained earnings/(Deficit)				Other components of equity			Total other components of equity	Equity attributable to owners of parent	Non- controlling interests	Total equity
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests				
<i>(in thousand US Dollar)</i>											
<b>Six-month period ended 30 June 2017</b>											
<b>Balance at 1 January 2017</b>	47,322	343,536	-	(50,400)	1,337	28	(3,166)	(1,801)	338,657	(410)	338,247
<b>Transactions with owners, recorded directly in equity</b>											
<b>Distributions to owners of the parent</b>											
Liquidation of a subsidiary	-	-	-	254	-	-	(254)	(254)	-	-	-
<b>Total distributions to owners of the parent</b>	-	-	-	254	-	-	(254)	(254)	-	-	-
<b>Total transactions with owners, recorded directly in equity</b>	-	-	-	254	-	-	(254)	(254)	-	-	-
<b>Comprehensive income (expense) for the period</b>											
Profits	-	-	-	4,353	-	-	-	-	4,353	9	4,362
Exchange differences on translating financial statements	-	-	-	-	(144)	-	-	(144)	(144)	-	(144)
<b>Total comprehensive income (expense) for the period</b>	-	-	-	4,353	(144)	-	-	(144)	4,209	9	4,218
<b>Balance at 30 June 2017</b>	47,322	343,536	-	(45,793)	1,193	28	(3,420)	(2,199)	342,866	(401)	342,465



## MERMAID MARITIME PUBLIC COMPANY LIMITED

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### Separate financial statements

	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Share-based payment	
<i>(in thousand US Dollar)</i>							
<b>Six-month period ended 30 June 2018</b>							
<b>Balance at 1 January 2018</b>	47,322	343,536	(7,406)	-	18,546	28	402,026
<b>Comprehensive expense for the period</b>							
Loss	-	-	-	-	(3,844)	-	(3,844)
<b>Total comprehensive expense for the period</b>	-	-	-	-	(3,844)	-	(3,844)
<b>Balance at 30 June 2018</b>	<b>47,322</b>	<b>343,536</b>	<b>(7,406)</b>	<b>-</b>	<b>14,702</b>	<b>28</b>	<b>398,182</b>



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### Separate financial statements

	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Share-based payment	
<i>(in thousand US Dollar)</i>							
<b>Six-month period ended 30 June 2017</b>							
<b>Balance at 1 January 2017</b>	47,322	343,536	(7,406)	-	3,277	28	386,757
<b>Comprehensive income for the period</b>							
Profit	-	-	-	-	8,614	-	8,614
<b>Total comprehensive income for the period</b>	-	-	-	-	8,614	-	8,614
<b>Balance at 30 June 2017</b>	<b>47,322</b>	<b>343,536</b>	<b>(7,406)</b>	<b>-</b>	<b>11,891</b>	<b>28</b>	<b>395,371</b>



## **MERMAID MARITIME PUBLIC COMPANY LIMITED**

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

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

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

As at 30 June 2018 and 31 December 2017, 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 30 June 2018 and 31 December 2017, 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 30 June 2018.

**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 and six-month periods ended on 30 June 2018, which are reported together with this announcement and available on the SGX's website and the Company's website.

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

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



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

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

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

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

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

The calculations of basic earnings (losses) per share for the three-month and six-month periods ended 30 June 2018 and 2017 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 30 June</i>	<b>Consolidated financial statements</b>			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(7,703)</u></b>	<b><u>3,618</u></b>	<b><u>(245,853)</u></b>	<b><u>124,102</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
<b>Earnings (losses) per share (basic)</b>	<b><u>(0.0055)</u></b>	<b><u>0.0026</u></b>	<b><u>(0.1740)</u></b>	<b><u>0.0878</u></b>

<i>Six-month period ended 30 June</i>	<b>Consolidated financial statements</b>			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(13,905)</u></b>	<b><u>4,353</u></b>	<b><u>(441,473)</u></b>	<b><u>149,912</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
<b>Earnings (losses) per share (basic)</b>	<b><u>(0.0098)</u></b>	<b><u>0.0031</u></b>	<b><u>(0.3124)</u></b>	<b><u>0.1061</u></b>



## MERMAID MARITIME PUBLIC COMPANY LIMITED

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<i>Three-month period ended 30 June</i>	Separate financial statements			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(11,096)</u></b>	<b><u>2,646</u></b>	<b><u>(345,147)</u></b>	<b><u>90,761</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
<b>Earnings (losses) per share (basic)</b>	<b><u>(0.0079)</u></b>	<b><u>0.0019</u></b>	<b><u>(0.2506)</u></b>	<b><u>0.0642</u></b>

  

<i>Six-month period ended 30 June</i>	Separate financial statements			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(3,844)</u></b>	<b><u>8,614</u></b>	<b><u>(125,411)</u></b>	<b><u>300,328</u></b>
<b>Number of ordinary shares outstanding (basic)</b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>	<b><u>1,413,329</u></b>
<b>Earnings (losses) per share (basic)</b>	<b><u>(0.0027)</u></b>	<b><u>0.0061</u></b>	<b><u>(0.0887)</u></b>	<b><u>0.2125</u></b>

**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	
	30-Jun-18 USD	31-Dec-17 USD	30-Jun-18 USD	31-Dec-17 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	0.23	0.24	0.28	0.28

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

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

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



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### **Business Segment Analysis**

Subsea Group reported service income for the three months period ended 30 June 2018 of US Dollar 21.5 million, a decrease of US Dollar 23.0 million or approximately 51.7% compared to US Dollar 44.5 million of the corresponding period. This was primarily due to a lower utilization of owned and charter-in vessels and one vessel off-hired for dry docking.

Subsea Group generated gross loss for the three months period ended 30 June 2018 of US Dollar 3.2 million, a decrease of US Dollar 12.5 million compared to gross profit of US Dollar 9.3 million of the corresponding period. This was primarily due to the lower of utilization for a performing vessels and a dry docking for one performing vessel.

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 30 June 2018 of US Dollar 3.8 million, a decrease of US Dollar 7.0 million compared to profit of US Dollar 3.2 million of the corresponding period, as result of a lower utilization of all performing vessels and other non-vessel projects and one vessel off-hired for dry docking.

Drilling Group reported nil service income and gross profits for the three months period ended 30 June 2018, same as for the corresponding period.

Drilling Group reported loss before finance costs and income tax expense for the three months period ended 30 June 2018 of US Dollar 0.2 million as same as the corresponding period.

### **Consolidated Income Statements**

The Group recorded service income for the three months period ended 30 June 2018 of US Dollar 21.5 million, a decrease in service income by US Dollar 23.0 million or approximately 51.7% compared to US Dollar 44.5 million for the corresponding period.

The Group reported a gross loss for the three months period ended 30 June 2018 of US Dollar 3.2 million, a decrease of US Dollar 12.3 million compared to a gross profit of US Dollar 9.1 million for the corresponding period.

The Group recorded administrative expenses of US Dollar 6.3 million, same as for the corresponding period. This was primarily due to cost saving and rightsizing exercise.

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

The share of profits from AOD\* investment for the three months period ended 30 June 2018 was US Dollar 3.0 million, an increase of US Dollar 1.8 million compared to the share profits of US Dollar 1.2 million in corresponding period. This was primarily due to cost saving and adjustment of internal bareboat charter rate.

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



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### **Profit (loss) for the period**

As a result, the Group reported loss for the three months period ended 30 June 2018 of US Dollar 7.7 million, a decrease of US Dollar 11.3 million from net profits of US Dollar 3.6 million as reported in the last three months period ended 30 June 2017.

### **Consolidated Balance Sheets**

Current assets as at 30 June 2018 were US Dollar 116.2 million, a decrease of US Dollar 25.6 million or 18.1% compared to US Dollar 141.8 million as at 31 December 2017. The decreased was primarily due to a decrease in trade accounts receivable of US Dollar 19.0 million which is in line with decrease in revenue from services and the settlement of outstanding receivables and decreased in cash and cash equivalent of US Dollar 27.4 million which was offset against increase in current investment of US Dollar 17.3 million.

Non-current assets as at 30 June 2018 were US Dollar 315.1 million, an increase of US Dollar 5.8 million or 1.9% compared to US Dollar 309.3 million as at 31 December 2017. The increase was primarily due to a share profits from one associate of US Dollar 4.3 million and a payment for new investment in associate of US Dollar 4.6 million and increase in restricted deposit at financial institution of US Dollar 2.3 million which was offset against decrease in properties, plant and equipment of US Dollar 5.4 million mainly from depreciation during the period.

Current liabilities as at 30 June 2018 were US Dollar 38.9 million, same as current liabilities as at 31 December 2017.

Non-current liabilities as at 30 June 2018 were US Dollar 64.1 million, a decrease of US Dollar 6.0 million or 8.6% compared to US Dollar 70.1 million as at 31 December 2017. The decrease was mainly due to a loan repayment of US Dollar 5.9 million during the period for long-term borrowings from financial institutions.

Equity as at 30 June 2018 was US Dollar 328.3 million, a decrease of US Dollar 13.9 million or 4.1% compared to US Dollar 342.2 million as at 31 December 2017. This was mainly due to net loss for the six month period ended 30 June 2018 of US Dollar 13.9 million.

### **Working Capital**

The Company's working capital as at 30 June 2018 was US Dollar 77.3 million, a decrease of US Dollar 25.6 million or 24.9% compared to US Dollar 102.9 million as at 31 December 2017.

### **Consolidated Cash Flow Statements**

The Company had net cash from operating activities for the six month period ended 30 June 2018 of US Dollar 4.1 million which mainly arose from collection of trade accounts receivable.





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The Company had net cash used in investing activities of US Dollar 23.1 million which was primarily due to acquisition of property, plant and equipment and intangible assets of US Dollar 5.5 million and increase in current investment of US Dollar 17.3 million.

The Company had net cash used in financing activities of US Dollar 7.9 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.**

With Brent continuing to rally above \$70/bbl the market conditions continue to be brutal for the subsea industry, which is working to recover from the downturn, but activity is gradually improving with more work expected this year. The subsea market activity maintained momentum this quarter with several small awards. Our differentiated service offering, strong client relationships and early engagement capability helped us to grow our order backlog.

The oil and gas market has seen a gradual increase in activity with a growing volume assumption in the world. However, at present pricing is challenging and we expect margins to remain low until excess capacity is utilized. We are addressing this through our lower cost solution using our experience and technical expertise to drive out inefficiencies.

We will see more awards coming our way in Q3 & Q4 2018 for conventional projects in the subsea installation engineering arena. Tenders on the horizon could include awards for work on projects for fields offshore in the Middle East i.e. Qatar, Saudi Arabia, Kuwait to name but a few—in the short to medium term.

The current tailwind in the oil market is likely to propel 100 new offshore projects to be sanctioned in 2018. This compares to only 60 projects in 2017 and below 40 in 2016. These projects represent a collective US\$100 billion worth of capital investment, giving an average of about US\$1 billion per project. In contrast, the average projected capex for offshore projects approved in 2013 was US\$1.8 billion.

Geographically these 100 projects are widespread. We forecast about 30 project approvals to come through in Asia this year, including in Malaysia and in India, and another 30 in Europe, including Neptune Deep in Romania. Africa should see green lights given to nearly 20 projects and a similar number is forecasted in the Americas.

Deepwater projects on either side of the Atlantic Ocean—from Norway to the US and from Angola to Brazil—are leading the charge toward new approvals. Higher oil prices, an



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improved outlook for gas demand, and lower offshore development costs are driving this rebound in the industry.

Cash preservation remains a top priority for the Group. In the second quarter of 2018, the Group managed more actively to enhance return from excess cash by investing in higher return yield within a limited risk and proper liquidity level, we continued to execute its cost savings program to counter the impact of the market challenging whilst aiming to maintain safety, quality and efficiency.

The Group's balance sheet remains in a strong position with very low gearing and positive cash flow from operation in first half of 2018 which is expected to financially help the Group during the market challenging period. We also well positioned to capitalize on opportunistic expansion if and when potential distressed assets become available for sale.

In our drilling business joint venture under Asia Offshore Drilling Limited ("AOD"), the Group's three high specification jack-up drilling rigs have performed strongly with near-full utilization during the second quarter of 2018. The Group holds a 33.76 percent equity stake in AOD through its wholly owned subsidiary Mermaid International Ventures ("MIV") with the remaining equity stake previously held by Seadrill Ltd. ("Seadrill") subsequently novated to Seadrill Rig Holding Company Limited ("SRHL") as part of Seadrill's Chapter 11 plan of reorganization. Seadrill then announced on 2 July 2018 that it has emerged from Chapter 11 after successfully completing its reorganization. Meanwhile, all three AOD jack-up rigs remain contracted in the Middle East to perform drilling services until 2019.

The AOD subsidiaries are borrowers under a USD 360 million senior secured credit facility ("AOD Credit Facility"), approximately USD 210 million of which is outstanding to date. Pursuant to the terms of a Transaction Support Agreement ("TSA"), AOD and its subsidiaries have agreed to become a party to the Seadrill restructuring package and, as a result of this joinder, have, among other things, reached agreement with the bank lenders to: (a) extend the maturities of the AOD Credit Facility by approximately five years (on average); (b) eliminate amortization obligations until 31 December 2019; (c) provide a three and a half year covenant holiday; and (d) include more flexible financial covenants, including deferring financial covenant testing until 2021 with the exception of the minimum liquidity covenant, which will apply from completion of the restructuring onwards.

In addition, MIV and SRHL have also agreed the terms of put and call options in respect of MIV's shares in AOD in accordance with the terms set out in the TSA, which can be summarized as follows:

- (a) MIV will be granted a put option in respect of its shares in AOD, exercisable between 1 October 2019 and 30 September 2020. The valuation for MIV's shares in AOD shall be based on independent rig brokers and financial expert assessment but subject to a ceiling of USD 125 million.



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- (b) Seadrill will be granted a call option in respect of MIV's shares in AOD, exercisable from 1 October 2020 to 31 March 2021. The valuation for MIV's shares in AOD shall be based on independent rig brokers and financial expert assessment but subject to a floor price of USD 75 million.

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

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

Nil

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

Nil

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

No dividend has been declared during the corresponding period.

- (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 30 June 2018 is as follows:



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Mermaid Maritime Public Company Limited Reviewed results for the period that ended on 30 June 2018 Interested persons transactions for the period that ended on 30 June 2018		
Name of interested persons	Aggregate value of all interested persons transactions during the year that ended on 30 June 2018 under review (excluding transactions less than US Dollar 100,000* and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested persons transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than US Dollar 100,000*)
	USD'000	USD'000
<b>Service income</b>	-	-
<b>Cost of services</b>	-	-

**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 Second quarter that ended on 30 June 2018 of the Group and the Company to be false or misleading in any material respect.

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

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

**BY ORDER OF THE BOARD**

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