


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 2019

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 and six-month periods ended 30 June.

	Consolidated financial statements		
	Three-month period ended		Change %
	2019	2018	
	30 June		
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	24,823	21,529	15.3%
Interest income	176	145	21.4%
Net gain on foreign exchange	141	-	100%
Other income	110	84	31.0%
Total revenues	25,250	21,758	16.0%
Expenses			
Costs of rendering of services	25,536	24,681	3.5%
Administrative expenses	5,563	6,253	-11.0%
Net loss on foreign exchange	-	403	-100.0%
Finance costs	898	1,010	-11.1%
Total expenses	31,997	32,347	-1.1%
Share of profit of associates and joint venture	1,206	3,013	-60.0%
Loss before income tax expense	(5,541)	(7,576)	-26.9%
Tax expense	330	120	175.0%
Loss for the period	(5,871)	(7,696)	-23.7%
Other comprehensive expense:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	1	2	-50.0%
Other comprehensive expense for the period, net of tax	1	2	-50.0%
Total comprehensive expense for the period	(5,870)	(7,694)	-23.7%
Profit (loss) attributable to:			
Owners of parent	(5,856)	(7,703)	-24.0%
Non-controlling interests	(15)	7	-314.3%
Loss for the period	(5,871)	(7,696)	-23.7%
Total comprehensive income (expense) attributable to:			
Owners of parent	(5,855)	(7,701)	-24.0%
Non-controlling interests	(15)	7	-314.3%
Total comprehensive expense for the period	(5,870)	(7,694)	-23.7%
Basic losses per share	<i>(in US Dollar)</i>		
Basic losses per share	(0.0041)	(0.0055)	-25.5%
Notes to the income statements			
Depreciation and amortization	4,886	4,551	
Finance costs	898	1,010	



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	Consolidated financial statements		
	Six-month period ended		
	30 June		
	2019	2018	Change %
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	50,615	39,521	28.1%
Interest income	386	284	35.9%
Net gain on foreign exchange	233	200	16.5%
Other income	215	2,216	-90.3%
Total revenues	51,449	42,221	21.9%
Expenses			
Costs of rendering of services	51,434	47,018	9.4%
Administrative expenses	10,507	11,225	-6.4%
Finance costs	1,869	1,929	-3.1%
Total expenses	63,810	60,172	6.0%
Share of profit of associates and joint venture	2,423	4,309	-43.8%
Loss before income tax expense	(9,938)	(13,642)	-27.2%
Tax expense	472	238	98.3%
Loss for the period	(10,410)	(13,880)	-25.0%
Other comprehensive expense:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	1	2	-50.0%
Other comprehensive expense for the period, net of tax	1	2	-50.0%
Total comprehensive expense for the period	(10,409)	(13,878)	-25.0%
Profit (loss) attributable to:			
Owners of parent	(10,396)	(13,905)	-25.2%
Non-controlling interests	(14)	25	-156.0%
Loss for the period	(10,410)	(13,880)	-25.0%
Total comprehensive income (expense) attributable to:			
Owners of parent	(10,395)	(13,903)	-25.2%
Non-controlling interests	(14)	25	-156.0%
Total comprehensive expense for the period	(10,409)	(13,878)	-25.0%
Basic losses per share			
<i>(in US Dollar)</i>			
Basic losses per share	(0.0074)	(0.0098)	-24.5%
Notes to the income statements			
Depreciation and amortization	9,709	8,782	
Finance costs	1,869	1,929	
Bad and doubtful debts expenses	-	20	
Reversal of impairment losses on assets	-	1,800	


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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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Assets	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
<i>Current assets</i>				
Cash and cash equivalents	19,658	36,484	4,713	1,752
Current investments	17,304	18,036	-	-
Trade accounts receivable	48,051	35,924	-	-
Other accounts receivable	11,592	7,067	149,118	141,141
Supplies and spare parts	1,147	1,384	-	-
Short-term loans to related parties	-	-	16,800	16,800
Total current assets	97,752	98,895	170,631	159,693
<i>Non-current assets</i>				
Restricted deposit at financial institutions	12,068	14,550	-	4,375
Investments in associates	121,851	119,423	22,507	22,507
Investments in joint venture	2,115	2,120	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	564	588	1,920	2,013
Long-term loan to related party	-	-	59,003	55,902
Property, plant and equipment	160,922	169,429	142	146
Goodwill	2,066	2,066	15	21
Intangible assets	79	114	-	-
Deferred tax assets	2,281	2,281	21	21
Other non-current assets	154	125	24	11
Total non-current assets	302,100	310,696	240,804	242,168
Total assets	399,852	409,591	411,435	401,861


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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>	30 June 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>
Liabilities and equity				
<i>Current liabilities</i>				
Trade accounts payable	7,001	5,201	-	-
Other accounts payable	23,438	18,992	571	745
Current portion of long-term borrowings	11,953	15,890	-	-
Current portion of finance lease liabilities	43	47	-	-
Current income tax payable	532	194	-	-
Total current liabilities	42,967	40,324	571	745
<i>Non-current liabilities</i>				
Long-term borrowings	49,822	51,835	-	-
Finance lease liabilities	44	40	-	-
Provisions for employee benefits	2,540	2,504	114	105
Total non-current liabilities	52,406	54,379	114	105
Total liabilities	95,373	94,703	685	850
<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)	(83,641)	(73,245)	27,270	17,531
Other components of equity	(2,196)	(2,197)	28	28
Equity attributable to owners of the parent	305,021	315,416	410,750	401,011
Non-controlling interests	(542)	(528)	-	-
Total equity	304,479	314,888	410,750	401,011
Total liabilities and equity	399,852	409,591	411,435	401,861



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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 2019		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	11,996	-	11,996
Amount repayable after one year	49,866	-	49,866

	As at 31 December 2018		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	15,937	-	15,937
Amount repayable after one year	51,875	-	51,875

(*) 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 2019, the Group’s property, plant and equipment with a net book value of US Dollar 115.9 million (*31 December 2018: US Dollar 121.6 million*) were registered to secure short-term and long-term facilities with financial institutions.

As at 30 June 2019, US Dollar 8.8 million (*31 December 2018: US Dollar 8.3 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 2019, US Dollar 3.3 million (*31 December 2018: US Dollar 1.9 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	
	2019	2018
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the period	(10,410)	(13,880)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense	472	238
Finance costs	1,869	1,929
Depreciation	9,674	8,730
Amortisation	35	52
Reversal of impairment losses on assets	-	(1,800)
Unrealised loss (gain) on exchange	(224)	546
Loss (gain) from revaluation of trading securities	432	(29)
Share of profit of associates and joint venture, net of tax	(2,423)	(4,309)
Bad and doubtful debts expenses	-	20
Losses on supplies and spare parts devaluation	-	277
Gains on disposals and write-offs of property, plant and equipment	-	(241)
Interest income	(386)	(284)
Provision for employee benefits	66	168
Loss from write-off non-refundable withholding tax	806	500
	<u>(89)</u>	<u>(8,083)</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institutions	2,482	(2,291)
Trade accounts receivable	(12,127)	18,952
Other accounts receivable	(4,553)	(3,787)
Supplies and spare parts	237	186
Other non-current assets	(29)	(35)
Trade accounts payable	1,787	1,751
Other accounts payable	3,865	(2,345)
Exchange rate losses from translating financial statements	1	2
Net cash generated from (used in) operating activities	<u>(8,426)</u>	<u>4,350</u>
Provision for employee benefit paid	(30)	(144)
Taxes paid	<u>(163)</u>	<u>(136)</u>
Net cash from (used in) operating activities	<u>(8,619)</u>	<u>4,070</u>



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Consolidated financial statements

Six-month period ended

30 June

2019 2018

(in thousand US Dollar)

Cash flows from investing activities

Acquisition of current investments	(3,000)	(17,300)
Proceed from sale of current investments	3,300	-
Acquisition of investment in associate	-	(4,582)
Proceeds from sale of property, plant and equipment	24	4,044
Acquisition of property, plant and equipment and intangible assets	(1,405)	(5,478)
Interest received	422	236
Net cash used in investing activities	(659)	(23,080)

Cash flows from financing activities

Repayment of borrowings	(6,000)	(6,000)
Finance costs paid	(1,835)	(1,883)
Net cash used in financing activities	(7,835)	(7,883)
Net decrease in cash and cash equivalents, before effect of exchange rates	(17,113)	(26,893)
Effect of exchange rates changes on cash and cash equivalents	287	(526)
Net decrease in cash and cash equivalents	(16,826)	(27,419)
Cash and cash equivalents at beginning of period	36,484	68,692
Cash and cash equivalents at ending of period	19,658	41,273

Non-cash transactions

Receivables for sales of property, plant and equipment	-	24
Payables for purchase of property, plant and equipment and intangible assets	12	838
Finance lease agreements for purchases of equipment	87	-
Transfer of advance payment for investment to investment in associates	-	17,275



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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>											
Six-month period ended 30 June 2019											
Balance at 1 January 2019	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888
Comprehensive income (expense) for the period											
Loss	-	-	-	(10,396)	-	-	-	-	(10,396)	(14)	(10,410)
Exchange differences on translating financial statements	-	-	-	-	1	-	-	1	1	-	1
Total comprehensive income (expense) for the period	-	-	-	(10,396)	1	-	-	1	(10,395)	(14)	(10,409)
Balance at 30 June 2019	47,322	343,536	-	(83,641)	1,196	28	(3,420)	(2,196)	305,021	(542)	304,479



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Consolidated financial statements

Other components of equity

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



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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>							
Six-month period ended 30 June 2019							
Balance at 1 January 2019	47,322	343,536	(7,406)	-	17,531	28	401,011
Comprehensive income for the period							
Profit	-	-	-	-	9,739	-	9,739
Total comprehensive income for the period	-	-	-	-	9,739	-	9,739
Balance at 30 June 2019	47,322	343,536	(7,406)	-	27,270	28	410,750



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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>							
Six-month period ended 30 June 2018							
Balance at 1 January 2018	47,322	343,536	(7,406)	-	18,546	28	402,026
Comprehensive expense for the period							
Loss	-	-	-	-	(3,844)	-	(3,844)
Total comprehensive expense for the period	-	-	-	-	(3,844)	-	(3,844)
Balance at 30 June 2018	47,322	343,536	(7,406)	-	14,702	28	398,182



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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 2019 and 31 December 2018, 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.

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.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 2019, 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.



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The same accounting policies and methods of computation as in the Group’s most recently audited annual Thai GAAP financial statements have been applied, except as described in item 5 in this announcement.

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

Please read notes 2 on the interim consolidated and Company financial statements for the three-month and six-month periods ended 30 June 2019, which is available on the SGX’s website and the Company’s website.

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

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

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month and six-month periods ended 30 June 2019 and 2018 were based on the 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>	Consolidated financial statements			
	2019 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2019 <i>(in thousand Baht/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(5,856)</u>	<u>(7,703)</u>	<u>(184,984)</u>	<u>(245,853)</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>
Losses per share (basic)	<u>(0.0041)</u>	<u>(0.0055)</u>	<u>(0.1309)</u>	<u>(0.1740)</u>
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
<i>Six-month period ended 30 June</i>	Consolidated financial statements			
	2019 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2019 <i>(in thousand Baht/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(10,396)</u>	<u>(13,905)</u>	<u>(328,500)</u>	<u>(441,473)</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>
Losses per share (basic)	<u>(0.0074)</u>	<u>(0.0098)</u>	<u>(0.2324)</u>	<u>(0.3124)</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	
	30-Jun-19 USD	31-Dec-18 USD	30-Jun-19 USD	31-Dec-18 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)	0.22	0.22	0.29	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.**

Business Segment Analysis

Subsea Group reported service income for the three months period ended 30 June 2019 of US Dollar 24.8 million, an increase of US Dollar 3.3 million or approximately 15.3% compared to US Dollar 21.5 million of the corresponding period. This was primarily due to the utilization of high performing vessels increased in this quarter.

Subsea Group generated gross loss for the three months period ended 30 June 2019 of US Dollar 0.8 million, a decrease of US Dollar 2.4 million compared to US Dollar 3.2 million of the corresponding period. This was primarily due to the increase in the utilization of high performing vessels.

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 30 June 2019 of US Dollar 9.0 million, an increase of US Dollar 5.2 million compared to US Dollar 3.8 million of the corresponding period, as a result of unrealised loss on foreign exchange.

Consolidated Income Statements

The Group recorded service income for the three months period ended 30 June 2019 of US Dollar 24.8 million, an increase of US Dollar 3.3 million or approximately 15.3% compared to US Dollar 21.5 million of the corresponding period.

The Group reported a gross loss for the three months period ended 30 June 2019 of US Dollar 0.7 million, a decrease of US Dollar 2.5 million compared to US Dollar 3.2 million for the corresponding period.



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The Group recorded administrative expenses for the three months period ended 30 June 2019 of US Dollar 5.6 million, a decrease of US Dollar 0.7 million compared to US Dollar 6.3 million for the corresponding period.

Share of Investments in Associate and jointly-controlled entity

The share of profits from AOD* investment for the three months period ended 30 June 2019 was US Dollar 1.2 million, a decrease of US Dollar 1.8 million compared to the share profits of US Dollar 3.0 million in corresponding period.

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

Loss for the period

As a result, the Group reported net loss for the three months period ended 30 June 2019 of US Dollar 5.9 million, a decrease of US Dollar 1.8 million compared to US Dollar 7.7 million as reported in the last three months period ended 30 June 2018.

Consolidated Balance Sheets

Current assets as at 30 June 2019 were US Dollar 97.8 million, a decrease of US Dollar 1.1 million or 1.1% compared to US Dollar 98.9 million as at 31 December 2018. The decreased was primarily due to a decreased in cash and cash equivalent of US Dollar 16.8 million which was offset against increase in trade accounts receivable of US Dollar 12.1 million which is in line with increase in revenue from services and increase in other accounts receivable US Dollar 4.5 million.

Non-current assets as at 30 June 2019 were US Dollar 302.1 million, a decrease of US Dollar 8.6 million or 2.8% compared to US Dollar 310.7 million as at 31 December 2018. The decrease was primarily due to a decrease in properties, plant and equipment of US Dollar 8.5 million mainly from depreciation during the period.

Current liabilities as at 30 June 2019 were US Dollar 43.0 million, an increase of US Dollar 2.7 million or 6.7% compared to US Dollar 40.3 million as at 31 December 2018. The increase was primarily due to an increase in other accounts payable and trade account payable of US Dollar 4.4 million and US Dollar 1.8 million, respectively. While current portion of long-term borrowings decreased US Dollar 3.9 million due from a repayment during period offset against reclassification from long-term borrowings.

Non-current liabilities as at 30 June 2019 were US Dollar 52.4 million, a decrease of US Dollar 2.0 million or 3.7% compared to US Dollar 54.4 million as at 31 December 2018. The decrease was mainly due to a reclassify to current portion of long-term borrowings.

Equity as at 30 June 2019 was US Dollar 304.5 million, a decrease of US Dollar 10.4 million or 3.3% compared to US Dollar 314.9 million as at 31 December 2018. This was mainly due to loss for the six months period ended 30 June 2019.



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Working Capital

The Company's working capital as at 30 June 2019 was US Dollar 54.8 million, a decrease of US Dollar 3.8 million or approximately 6.5% compared to US Dollar 58.6 million as at 31 December 2018.

Consolidated Cash Flow Statements

The Group had net cash used in operating activities for the six months period ended 30 June 2019 of US Dollar 8.6 million which mainly from increased in trade accounts receivable and other accounts receivable.

The Group had net cash used in investing activities for the six months period ended 30 June 2019 of US Dollar 0.7 million which was primarily due to an acquisition of property, plant and equipment and intangible assets of US Dollar 1.4 million and interest received of US Dollar 0.4 million.

The Group had net cash used in financing activities for the six months period ended 30 June 2019 of US Dollar 7.8 million, primarily due to the repayment of long-term borrowings to financial institutions and finance cost paid.

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.

In June, oil prices fell rapidly reaching lows of \$61.66 (for Brent) and \$51.13 (for WTI) per barrel, this was due to demand concerns driven by intensifying trade tensions between the US and China. Middle Eastern geopolitical events increased during the second quarter with the 'Straits of Hormuz' at the center of global tensions. The 'Straits of Hormuz' is the Middle East's crude oil and natural gas flow conduit to international markets making it the world's most critical transportation chokepoint. Any incident such as the recent attacks on ships and drones can impact energy prices and increase shipping insurance rates. The attacks in the region resulted in a minimal impact to crude prices as it is believed that oil markets have enough confidence in US shale to counterbalance the impact of possible Middle Eastern supply outages.

The trade war between the USA and China has escalated with new tariff threats, heightening concerns about an economic slowdown that would be a drag on energy demand. The global supply-demand dynamic remains relatively consistent. However, the demand growth continues to be a concern with OPEC+ working to offset growth in North American output.



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Heading into Q3 2019, Iran and the US / China trade war remain the two issues pulling the price of crude oil in opposite directions. A lower dollar and falling US interest rates are bullish for the energy commodity, but the steady rise in US output and growing inventories weigh on the price. A global economic slowdown is bearish for the price of oil, but this may fall by the wayside if Iran continues to provoke the US and Saudi Arabia in the Middle East.

IOC's and service companies alike continue to sharpen their pencils delivering significant cost reductions in the offshore industry. These cost savings are driving a new wave of global offshore project sanctioning in 2019. Rystad Energy forecasted in its July 2019 Project Sanctioning Report that this year could see the offshore industry sanctioning \$123 billion worth of projects. This is driven partially by Saudi Aramco's recently announced \$18 billion worth of project commitments associated with the Marjan and Berri expansion projects, overall offshore project sanctioning in 2019 stands at \$56 billion.

Rystad also suggest that challenges do remain, up to \$16 billion of projects to be sanctioned this year remain at high risk of not receive funding as they require oil prices over \$60 per barrel to breakeven. This still leaves plenty of other projects with lower breakeven prices well positioned to receive funding. This is made possible due to lower costs for these offshore projects.

There remains to be highly competitive pricing landscape for Mermaid within its DSV IRM and ROV segments continuing to show depressed vessel rates. Mermaid is adjusting its capabilities in offering a wider range of integrated subsea services and increasing its fleet capability by venturing into new markets in the Mediterranean, Egypt and West Africa.

Whilst we continue to focus on our core business lines, we are continuing to pursue contracts further afield that is driving the company into a new era of subsea Installation engineering, offshore decommissioning, project & offshore construction management, cable and SURF installation.

Cash preservation remains a top priority for the Group. The Group managed 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.

In our drilling business joint venture under Asia Offshore Drilling Limited ("AOD"), the Group's three high specification jack-up drilling rigs have performed optimally in the Middle East with near full utilization during the second quarter of 2019. All three rigs have been working for the same customer in the same location since 2013 and have had their contracts continually renewed on a back-to-back basis to date.

The current status is that 'AOD I' is on contract through to June 2022, 'AOD II' is on contract through to October 2019 and 'AOD III' on contract through to December 2019. The jack-up market remains a challenging one and competition remains fierce. During this time, AOD's focus shall continue to be on retaining gainful employment for all three rigs with its existing customer into the long term and to operate all rigs at optimal levels.



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

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

No dividend has been declared during the period.

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

Not applicable.

(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).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

Not applicable.

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 period that ended on 30 June 2019 is as follows:



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Mermaid Maritime Public Company Limited		
Reviewed transaction for the six months period ended on 30 June 2019		
Interested persons transactions for the six months period ended on 30 June 2019		
Name of interested persons	Aggregate value of all interested persons transactions during the period that ended on 30 June 2019 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
Service income	-	-
Cost of services	-	-

14. 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 2019 of the Group and the Company to be false or misleading in any material respect.

15. 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