

MERMAID MARITIME PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2012



AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and Company statements of financial positions as at 30 June 2012, the related consolidated and Company statements of comprehensive income for the three-month and nine-month periods that ended on 30 June 2012 and 2011, statements of changes in shareholders' equity and cash flows for the nine-month periods that ended 30 June 2012 and 2011, and condensed notes to interim financial information of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Statement of financial position as at 30 September 2011 presented for comparative purpose

I have audited the consolidated and Company financial statements for the year that ended 30 September 2011 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively, in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those statements in my report dated 25 November 2011. The consolidated and Company statements of financial positions as at 30 September 2011, presented for comparative purposes, are parts of the financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

A handwritten signature in blue ink, appearing to read 'Kajornkiet Aroonpirodkul', is written over a light blue horizontal line.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
8 August 2012

Mermaid Maritime Public Company Limited
Statements of Financial Positions
As at 30 June 2012 and 30 September 2011

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	30 June	30 September	30 June	30 September
	2012	2011	2012	2011
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets				
Current assets				
Cash and cash equivalents	2,330,248	1,352,380	1,005,437	377,635
Restricted deposits at financial institutions	183,987	206,484	-	-
Trade accounts receivable - others, net	1,377,015	1,661,898	-	-
Amounts due from related parties	11.2	-	33	504,060
Short-term loans to related parties	11.3	-	-	4,933,109
Supplies and spare parts	157,983	137,926	-	-
Other current assets	186,774	136,801	11,334	13,743
Total current assets	4,236,007	3,495,522	5,904,584	5,736,541
Non-current assets				
Restricted deposits at financial institutions	126,761	124,110	-	-
Investments in subsidiaries	5.1	-	-	4,970,999
Investments in associates	5.2	1,855,695	1,862,041	1,903,814
Property, plant, and equipment, net	6	10,666,442	11,122,394	160,334
Goodwill	332,279	332,279	-	-
Intangible assets, net	13,700	16,206	1,330	1,256
Deferred expenses	26,857	29,375	-	-
Deferred tax assets, net	86,449	99,437	-	-
Other non-current assets	11,331	22,739	594	864
Total non-current assets	13,119,514	13,608,581	7,037,071	7,047,577
Total assets	17,355,521	17,104,103	12,941,655	12,784,118

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Financial Positions (Cont'd)
As at 30 June 2012 and 30 September 2011

	Notes	Consolidated		Company	
		Unaudited 30 June 2012 Baht'000	Audited 30 September 2011 Baht'000	Unaudited 30 June 2012 Baht'000	Audited 30 September 2011 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - others		214,156	187,295	-	-
Trade accounts payable - related parties	11.2	7,269	2,970	-	-
Other accounts payable		14,333	54,156	3,424	5,758
Amounts due to related parties	11.2	26,225	12,530	1,179,983	1,141,526
Current portion of long-term loans from financial institutions	7	183,991	556,747	-	-
Current portion of finance lease liabilities		1,244	1,744	1,170	1,170
Income taxes payable		22,406	19,684	-	-
Accrued expenses		319,086	279,906	7,403	7,759
Current portion of employee benefit obligations		24,909	61,031	-	-
Other current liabilities		57,895	50,482	9,573	10,681
Total current liabilities		871,514	1,226,545	1,201,553	1,166,894
Non-current liabilities					
Long-term loans from financial institutions	7	4,069,157	3,409,963	-	-
Finance lease liabilities		1,888	3,277	489	1,366
Employee benefit obligations		26,404	22,703	3,660	2,908
Total non-current liabilities		4,097,449	3,435,943	4,149	4,274
Total liabilities		4,968,963	4,662,488	1,205,702	1,171,168
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares					
791,213,843 shares of par					
Baht 1 each					
		<u>791,214</u>	<u>791,214</u>	<u>791,214</u>	<u>791,214</u>
Issued and paid-up share capital					
Ordinary shares					
784,747,743 shares of paid-up					
Baht 1 each					
		784,748	784,748	784,748	784,748
Premium on share capital		9,818,420	9,818,420	9,818,420	9,818,420
Exchange differences on translating financial statements		(195,475)	(197,695)	-	-
Retained earnings					
Appropriated - legal reserves					
		78,475	78,475	78,475	78,475
Unappropriated					
		1,792,901	1,858,659	1,054,310	931,307
Equity attributable to owners of the parent		12,279,069	12,342,607	11,735,953	11,612,950
Non-controlling interests		107,489	99,008	-	-
Total shareholders' equity		12,386,558	12,441,615	11,735,953	11,612,950
Total liabilities and shareholders' equity		17,355,521	17,104,103	12,941,655	12,784,118

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month periods that ended on 30 June 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
Note	Baht'000	Baht'000	Baht'000	Baht'000
Service income	1,752,899	1,454,215	-	-
Cost of services	(1,243,738)	(1,175,571)	-	-
Gross profits	509,161	278,644	-	-
Management fee income	-	55,388	22,695	56,975
Interest income	4,266	4,231	31,965	26,459
Other income	1,746	15,964	3,273	2,885
Administrative expenses	(205,830)	(173,639)	(42,942)	(57,167)
Gains (losses) on exchange rates	(78,842)	22,777	117,960	37,937
Net gains on disposals and write-offs of property, plant, and equipment and intangible assets	49	551	-	-
Impairment losses of property, plant, and equipment and deposits	-	(86,442)	-	-
Operating profits	230,550	117,474	132,951	67,089
Share of losses of investments in associates	(1,459)	(4,593)	-	-
Profits before finance costs and income taxes	229,091	112,881	132,951	67,089
Finance costs	(46,554)	(46,836)	-	(573)
Profits before income taxes	182,537	66,045	132,951	66,516
Income taxes	(44,046)	(18,975)	-	-
Net profits for the period	138,491	47,070	132,951	66,516
Other comprehensive income:				
Exchange differences on translating financial statements	41,827	40,893	-	-
Total comprehensive income for the period	180,318	87,963	132,951	66,516
Profits attributable to:				
Owners of the parent	136,951	44,163	132,951	66,516
Non-controlling interests	1,540	2,907	-	-
	138,491	47,070	132,951	66,516
Total comprehensive income attributable to:				
Owners of the parent	177,469	83,198	132,951	66,516
Non-controlling interests	2,849	4,765	-	-
	180,318	87,963	132,951	66,516
Earnings per share	8			
Basic earnings per share (Baht)	0.17	0.06	0.17	0.08
Diluted earnings per share (Baht)	0.17	0.06	0.17	0.08

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the nine-month periods that ended on 30 June 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Service income		3,899,864	3,710,824	-	-
Cost of services		(3,168,825)	(3,464,206)	-	-
Gross profits		731,039	246,618	-	-
Management fee income	11.1	-	138,764	68,085	228,551
Dividend income	11.1	-	-	-	1,400,540
Interest income		8,534	6,566	99,405	70,193
Other income		10,811	23,749	8,977	9,517
Administrative expenses		(569,949)	(479,196)	(132,324)	(127,873)
Gains (losses) on exchange rates		(13,553)	7,156	78,860	8,907
Net gains (losses) on disposals and write-offs of property, plant, and equipment and intangible assets		306	(9,717)	-	-
Impairment losses of property, plant, and equipment and deposits		-	(86,442)	-	-
Operating profits (losses)		167,188	(152,502)	123,003	1,589,835
Share of losses of investments in associates	5.2	(6,346)	(7,237)	-	-
Profits (losses) before finance costs and income taxes		160,842	(159,739)	123,003	1,589,835
Finance costs		(139,169)	(138,645)	-	(1,040)
Profits (losses) before income taxes		21,673	(298,384)	123,003	1,588,795
Income taxes		(78,701)	(62,847)	-	-
Net profits (losses) for the period		(57,028)	(361,231)	123,003	1,588,795
Other comprehensive income:					
Exchange differences on translating financial statements		1,971	38,818	-	-
Total comprehensive income (expenses) for the period		(55,057)	(322,413)	123,003	1,588,795
Profits (losses) attributable to:					
Owners of the parent		(65,758)	(358,262)	123,003	1,588,795
Non-controlling interests		8,730	(2,969)	-	-
		(57,028)	(361,231)	123,003	1,588,795
Total comprehensive income (expenses) attributable to:					
Owners of the parent		(63,538)	(321,883)	123,003	1,588,795
Non-controlling interests		8,481	(530)	-	-
		(55,057)	(322,413)	123,003	1,588,795
Earnings (losses) per share	8				
Basic earnings (losses) per share (Baht)		(0.08)	(0.46)	0.16	2.02
Diluted earnings (losses) per share (Baht)		(0.08)	(0.46)	0.16	2.02

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the nine-month periods that ended on 30 June 2012 and 2011

	Consolidated										Baht' 000
	Attributable to owners of the parent					Other components of equity					
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Exchange differences on translating financial statements	Total owners of the parent	Non-controlling interests	Total shareholders' equity			
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	1,858,659	(197,695)	12,342,607	99,008	12,441,615			
Net profits (losses) for the period	-	-	-	(65,758)	-	(65,758)	8,730	(57,028)			
Exchange differences on translating financial statements	-	-	-	-	2,220	2,220	(249)	1,971			
Ending balance as at 30 June 2012	784,748	9,818,420	78,475	1,792,901	(195,475)	12,279,069	107,489	12,386,558			
	Company										Baht' 000
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Exchange differences on translating financial statements	Total owners of the parent	Non-controlling interests	Total shareholders' equity			
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	1,858,659	(197,695)	12,342,607	99,008	12,441,615			
Net profits for the period	-	-	-	(65,758)	-	(65,758)	8,730	(57,028)			
Ending balance as at 30 June 2012	784,748	9,818,420	78,475	1,792,901	(195,475)	12,279,069	107,489	12,386,558			

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)
 For the nine-month periods that ended on 30 June 2012 and 2011

	Consolidated							Baht' 000
	Attributable to owners of the parent							
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity Other comprehensive expenses Exchange differences on translating financial statements	Total owners of the parent	Non-controlling interests	
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	2,519,918	(270,702)	12,892,101	89,688	12,981,789
Increase from additional investments in subsidiary	-	-	-	-	-	-	1,230	1,230
Net losses for the period	-	-	-	(358,262)	-	(358,262)	(2,969)	(361,231)
Dividends paid	-	-	-	(455,154)	-	(455,154)	-	(455,154)
Exchange differences on translating financial statements	-	-	-	-	36,379	36,379	2,439	38,818
Legal reserves	-	-	38,758	(38,758)	-	-	-	-
Ending balance as at 30 June 2011	784,748	9,818,420	78,475	1,667,744	(234,323)	12,115,064	90,388	12,205,452

	Company				Baht' 000
	Unappropriated				
	Issued and paid-up share capital	Premium on share capital	Legal reserves	retained earnings (deficit)	
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	(207,604)	10,435,281
Net profits for the period	-	-	-	1,588,795	1,588,795
Dividends paid	-	-	-	(455,154)	(455,154)
Legal reserves	-	-	38,758	(38,758)	-
Ending balance as at 30 June 2011	784,748	9,818,420	78,475	887,279	11,568,922

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods that ended on 30 June 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from operating activities					
Profits (losses) before income taxes		21,673	(298,384)	123,003	1,588,795
Adjustments for:					
Depreciation	6.1	654,503	749,183	12,400	13,319
Amortisation of intangible assets		6,535	7,011	425	701
Finance costs		139,169	138,645	-	1,040
Net (gains) losses on disposals and write-offs of property, plant, and equipment and intangible assets		(306)	9,717	-	-
Impairment losses of property, plant, and equipment and deposits		-	86,442	-	-
Realised (gains) losses on exchange rates		(55,862)	(12,863)	(14,966)	27,105
Unrealised (gains) losses on exchange rates		69,415	5,707	(63,894)	(36,012)
Employee benefit obligations		24,545	54,922	752	671
Dividend income	11.1	-	-	-	(1,400,540)
Doubtful accounts expenses		3,489	-	-	-
Losses from write-off of outstanding withholding taxes		16,063	-	9,401	-
Losses from write-off of outstanding insurance claims		19,853	-	-	-
Share of losses of investments in associates	5.2	6,346	7,237	-	-
Exchange rate (gains) losses from translation of overseas subsidiaries		(12,459)	18,162	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal):					
- Restricted deposits at financial institutions		26,848	-	-	-
- Trade accounts receivable - others		321,472	(1,049,023)	-	-
- Trade accounts receivable - related parties		-	169	-	-
- Amounts due from related parties		33	(40,121)	(96,975)	(120,268)
- Supplies and spare parts		(20,057)	(6,620)	-	-
- Other current assets		(81,054)	(53,812)	(4,949)	(4,738)
- Deferred expenses		2,518	7,186	-	-
- Other non-current assets		11,408	28,041	270	(751)
- Trade accounts payable - others		33,263	83,520	-	-
- Trade accounts payable - related parties		4,299	(2,116)	-	-
- Other accounts payable		(38,302)	4,120	(2,193)	8,884
- Amounts due to related parties		13,695	2,826	14,742	(690,328)
- Accrued expenses		36,599	76,086	(356)	1,086
- Other current liabilities		8,888	49,668	(1,107)	4,883
Cash generated from operations		1,212,574	(134,297)	(23,447)	(606,153)
- Finance costs paid		(136,871)	(137,203)	-	(1,040)
- Income taxes paid		(66,091)	(55,071)	(2,041)	(2,378)
- Employee benefits paid		(56,465)	(50,161)	-	-
Net cash inflows (outflows) from operating activities		953,147	(376,732)	(25,488)	(609,571)

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods that ended on 30 June 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities				
Short-term loans received from related parties	-	-	631,095	533,248
Short-term loans provided to related parties	-	-	-	(1,240,443)
Payments for short-term investments	-	(602,403)	-	(602,403)
Proceeds from short-term investments	-	1,208,728	-	1,208,728
Payments for investments in associates	-	(1,456,631)	-	(1,456,631)
Proceeds from disposals of property, plant, and equipment and intangible assets	2,648	44,771	-	-
Payment for purchases of property, plant, and equipment	(193,719)	(214,963)	(2,090)	(11,697)
Payment for purchases of intangible assets	(5,429)	(6,881)	(499)	(2,243)
Net cash inflows (outflows) from investing activities	(196,500)	(1,027,379)	628,506	(1,571,441)
Cash flows from financing activities				
Repayments of finance lease liabilities	(1,839)	(2,020)	(878)	-
Proceeds from short-term loans from financial institutions	-	60,000	-	-
Proceeds from long-term loans from financial institutions	7 1,405,751	-	-	-
Repayments of long-term loans from financial institutions	7 (1,202,241)	(709,326)	-	(18,600)
Proceeds from share capital from minority interests	-	1,230	-	-
Dividends paid to shareholders	-	(455,154)	-	(455,154)
Net cash inflows (outflows) from financing activities	201,671	(1,105,270)	(878)	(473,754)
Net increase (decrease) in cash and cash equivalents	958,318	(2,509,381)	602,140	(2,654,766)
Cash and cash equivalents at the beginning of the period	1,352,380	3,742,938	377,635	3,375,758
Effects of exchange rates	19,550	(16,594)	25,662	(26,294)
Cash and cash equivalents at the end of the period	2,330,248	1,216,963	1,005,437	694,698

Non-cash transactions

During the nine-month periods that ended on 30 June 2012 and 2011, the following significant non-cash transactions occurred:

Unpaid liabilities from purchases of equipment	5,985	3,755	-	-
Unpaid liabilities under finance lease agreements for purchase of computer hardware	-	2,829	-	2,829

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

1 General information

Mermaid Maritime Public Company Limited (the “Company”) is a limited public company that is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office is as follows:

26/28-29 Orakarn Building, 9th floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330, Thailand

The Company and its subsidiaries (“the Group”) provide a wide range of services to the offshore oil & gas industries. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle (“ROV”) systems, non-destructive testing, and ownership and operation of a fleet of offshore service vessels and tender drilling rigs.

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand and listed on the Stock Exchange of Thailand.

These interim consolidated and Company financial information have been approved for issue by the Board of Directors on 8 August 2012.

These interim consolidated and Company financial information have been reviewed and are not audited.

2 Basis of preparation

These interim consolidated and Company financial information have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547. The primary financial information (i.e., statements of financial position, comprehensive income, and changes in shareholders’ equity and cash flows) is prepared in the full format. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting”.

These interim consolidated and Company financial information should be read in conjunction with the 2011 annual financial statements.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year that ended on 30 September 2011, except as described in Notes 3.1 and 3.2.

3 Summary of significant accounting policies (Cont'd)

New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards

- 3.1 New Thai accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards are effective for the periods beginning on or after 1 January 2011 and adopted by the Group, except for IAS 16 “Property, Plant and Equipment” and IAS 19 “Employee Benefits” which the Group has adopted since the fiscal year 2007. TAS 16 (Revised 2009) and TAS 19 are equivalent to IAS 16 and IAS 19, respectively.

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related-Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held-for-sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

- TAS 1 (Revised 2009): The revised standard requires an entity to present the statement of comprehensive income. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of comprehensive income). The Group chooses to present a single statement of comprehensive income. Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present a statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this standard, an entity can choose to present a statement of financial position without the statement of financial position as at the beginning of the comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 October 2011.
- TAS 23 (Revised 2009): The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs was removed. The Group has adopted the standard prospectively from 1 October 2011 but it is not expected to have any impact on the Group’s financial statement, because the Group has already applied the capitalised model.

3 Summary of significant accounting policies (Cont'd)

New Thai accounting standards ("TAS"), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)

3.1 New Thai accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards are effective for the periods beginning on or after 1 January 2011 and adopted by the Group, except for IAS 16 "Property, Plant and Equipment" and IAS 19 "Employee Benefits" which the Group has adopted since the fiscal year 2007. TAS 16 (Revised 2009) and TAS 19 are equivalent to IAS 16 and IAS 19, respectively. (Cont'd)

- TAS 24 (Revised 2009): The definition of 'related party' has been expanded to include parties with joint control over the entity, a joint venture in which the entity is a venture, and a post-employment benefit plan for the benefit of employees of an entity. The Group has adopted the revised standard with effect from 1 October 2011, which may have an impact only on the disclosure of related parties' information in the notes to the financial statements.
- TAS 27 (Revised 2009): The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted the standard prospectively for transactions with non-controlling interests with effect from 1 October 2011.
- TAS 28 (Revised 2009): On the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gains or losses in profit or loss. The Group has adopted the revised standard with effect from 1 October 2011.
- TAS 38 (Revised 2009): The revised standard clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The Group has adopted the revised standard with effect from 1 October 2011. The standard will not result in a material impact on the Group or Company's financial statements.
- TFRS 2: This deals with accounting for transactions in which an entity receives goods or services as consideration for either:
 - Equity instruments of the entity (equity-settled) which is recognised as equity; or
 - Cash or other assets, the amount of which is based on the price or value of the entity's share (cash-settled) that is recognised as a liability.

The measurement of the transaction is based on the fair value of the goods or services received. The equity-settled transactions are not re-measured once the grant date fair value has been determined. The cash-settled transactions are required to be re-measured at the date of each statement of financial position and at the date of settlement, with changes in fair value recognised in profit or loss. In addition, the standard requires extensive disclosure. The Company has adopted this standard with effect from 1 October 2011. The application of the standard is accounted for grant dates on or after 1 October 2011, which may have an impact only on the disclosure of share-based payments in the notes to the financial statements.

- TFRS 3 (Revised 2009): The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group has adopted the revised standard prospectively to all business combinations with effect from 1 October 2011.

4 Summary of significant accounting policies (Cont'd)

New Thai accounting standards ("TAS"), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)

3.2 New Thai accounting standards, amendments to accounting standards, and new interpretations are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them, excepted for IAS 12 "Income Taxes" which the Group has adopted since the fiscal year 2007. TAS 12 is equivalent to IAS 12.

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

- TAS 21 (Revised 2009): The revised standard requires an entity to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary items denominated in foreign currencies are recognised in profit or loss. The results and financial positions of all Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard commencing 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.
- TFRS 8: The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change to be consistent with the internal reporting provided to the chief operating decision-maker.

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4 Business segment information

The segment results for the nine-month periods that ended on 30 June 2012 and 2011 are as follows:

	Consolidated				Baht'000
	For the nine-month period that ended on 30 June 2012				
	MOS group	Drilling group	Subtech group	Seascope group	Holding Group
Total service income	2,252,363	747,523	1,103,209	862,316	4,965,411
Inter-segment service income	(150,105)	-	(709,984)	(205,458)	(1,065,547)
Service income	2,102,258	747,523	393,225	656,858	3,899,864
Operating profits (losses)	(41,796)	120,263	54,871	57,990	(24,140)
Finance costs					(139,169)
Income taxes					(78,701)
Share of losses from associates					(6,346)
Net losses for the period					(57,028)

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4 Business segment information

The segment results for the nine-month periods that ended on 30 June 2012 and 2011 are as follows:

	Consolidated					Baht'000
	For the nine-month period that ended on 30 June 2011					
	MOS group	Drilling group	Subtech group	Seascope group	Holding	Group
Total service income	2,614,896	787,606	595,921	506,326	-	4,504,749
Inter-segment service income	(352,101)	(28,674)	(290,342)	(122,808)	-	(793,925)
Service income	2,262,795	758,932	305,579	383,518	-	3,710,824
Operating profits (losses)	(262,543)	(83,728)	47,448	17,411	128,910	(152,502)
Finance costs						(7,237)
Income taxes						(138,645)
Share of losses from associates						(62,847)
Net losses for the period						(361,231)

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5 Investments in subsidiaries and associates

Investments in subsidiaries and associates comprise investments in the following companies:

Name	Classification	Country of incorporation	Effective percentage of holding	
			As at 30 June 2012	As at 30 September 2011
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Subsidiary	Thailand	100.0	100.0
Nemo Subsea AS	Subsidiary	Norway	100.0	100.0
Nemo Subsea IS	Subsidiary	Norway	100.0	100.0
Seascope Surveys (Thailand) Ltd.	Subsidiary	Thailand	80.0	80.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	80.0	80.0
PT Seascope Surveys Indonesia	Subsidiary	Indonesia	97.0	97.0
Subtech Ltd., which has two subsidiaries as follows:	Subsidiary	Seychelles	100.0	100.0
Subtech Qatar Diving and Marine Services LLC	Subsidiary	Qatar	97.0	97.0
Subtech Saudi Arabia Limited	Subsidiary	Saudi Arabia	70.0	70.0
Mermaid Offshore Services PTY LTD	Subsidiary	Australia	100.0	100.0
Mermaid Offshore Services Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Subsidiary	Thailand	95.0	95.0
MTR-1 Ltd.	Subsidiary	Thailand	100.0	100.0
MTR-2 Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia	100.0	100.0
MTR-1 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
MTR-2 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Training and Technical Services Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	100.0	100.0
MTR-3 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Asia Offshore Drilling Limited, which has four subsidiaries as follows:	Associate	Bermuda	33.75	33.75
Asia Offshore Rig 1 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 2 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 3 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Drilling Pte. Ltd.	Associate	Singapore	100.0	100.0

5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries

The movement of investments in subsidiaries during the nine-month period that ended on 30 June 2012 is as follows:

	Company Baht'000
Opening balance	5,237,264
<u>Less</u> Allowance for impairment loss of investments in a subsidiary	<u>(266,265)</u>
Opening net book amount	4,970,999
Movements	<u>-</u>
Closing net book amount	<u>4,970,999</u>

5.2 Investments in associates

The movement of investments in associates during the nine-month period that ended on 30 June 2012 is as follows:

	Consolidated Baht'000	Company Baht'000
Beginning balance	1,862,041	1,903,814
Share of losses of investments in associates	<u>(6,346)</u>	<u>-</u>
Ending balance	<u>1,855,695</u>	<u>1,903,814</u>

6 Property, plant, and equipment, net

- 6.1 The movements of property, plant, and equipment during the nine-month period that ended on 30 June 2012 are as follows:

	Consolidated Baht'000	Company Baht'000
Opening net book amount	11,122,394	170,644
Additions	192,410	2,090
Disposals	(1,198)	-
Write-offs	(616)	-
Depreciation charges	(654,503)	(12,400)
Translation adjustments	7,955	-
Closing net book amount	<u>10,666,442</u>	<u>160,334</u>

Consolidated

The significant additions during the nine-month period that ended on 30 June 2012 were:

- a) payments for dry-docking of vessel and drilling rig totalling Baht 103.26 million;
- b) payments for purchases of plant, and vessel and rig equipment totalling Baht 36.39 million;
- c) payments for construction in progress of plant equipment totalling Baht 23.16 million.

- 6.2 Property, plant, and equipment as at 30 June 2012 and 30 September 2011 used as collateral for loan facilities can be summarised as follows:

There are land and buildings, two support vessels, and a tender rig that are mortgaged with various banks as collateral for their overdrafts and loans. These assets are mortgaged at a total value of Baht 1,360 million and USD 110 million (30 September 2011: Baht 1,583 million and USD 117.6 million in respect of land and buildings, three remotely operated vehicles, two support vessels, and a tender rig).

- 6.3 The depreciation charges during the nine-month periods that ended on 30 June are as follows:

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Depreciation charged to				
- Cost of services	634,949	728,038	-	-
- Administrative expenses	19,554	21,145	12,400	13,319
	<u>654,503</u>	<u>749,183</u>	<u>12,400</u>	<u>13,319</u>

6 Property, plant, and equipment, net (Cont'd)

6.3 The depreciation charges during the nine-month periods that ended on 30 June are as follows: (Cont'd)

During the nine-month periods that ended on 30 June 2012, the Group has reviewed the estimated useful lives of the vessel and has revised the estimated useful lives of certain vessel components from 5-20 years to 5-30 years to be in line with the current use of assets. The effect from the change was reflected prospectively commencing for this financial year. The depreciation based on previous and new accounting estimates can be summarised as follows:

	Consolidated	
	Previous Accounting estimate Baht'000	New accounting estimate Baht'000
Depreciation charged for the nine-month period that ended on 30 June 2012	734,722	654,503

7 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	30 June 2012 Baht'000	30 September 2011 Baht'000	30 June 2012 Baht'000	30 September 2011 Baht'000
Current portion of long-term loans	183,991	556,747	-	-
Long-term portion of loans	4,069,157	3,409,963	-	-
Loans from financial institutions	<u>4,253,148</u>	<u>3,966,710</u>	-	-

The movement of long-term loans from financial institutions for the nine-month period that ended on 30 June 2012 is as follows:

	Consolidated Baht'000	Company Baht'000
Beginning balance	3,966,710	-
Additions during period	1,405,751	-
Repayments during period	(1,202,241)	-
Realised gains on exchange rates	(5,846)	-
Unrealised losses on exchange rates	90,611	-
Translation adjustments	(1,837)	-
Ending balance	<u>4,253,148</u>	-

As at 30 June 2012, the total outstanding amounts of long-term loans granted by local and overseas commercial banks are USD 133.1 million (30 September 2011: Baht 653.9 million and USD 105.9 million). Certain loans are secured by mortgages of the Group's assets as mentioned in Note 6.2 and are guaranteed by the Company and certain subsidiaries.

According to a condition of the loan agreements for all asset acquisitions, the Company and its subsidiaries are not allowed to create any encumbrance on the assets which are used as collateral, except for encumbrances created with the prior consent of the banks and permitted liens. The Company and its subsidiaries must comply with other conditions and restrictions stated in the term loan agreements.

8 Earnings (losses) per share

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

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

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

	For the three-month periods that ended on 30 June			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares				
Employee Shares Option Plan (Shares'000)	316	173	316	173
Weighted average number of ordinary Shares for diluted earnings (Shares'000)	785,064	784,921	785,064	784,921
Net profits for the period attributable to ordinary shareholders (Baht'000)	136,951	44,163	132,951	66,516
Basic earnings per share (Baht)	0.17	0.06	0.17	0.08
Diluted earnings per share (Baht)	0.17	0.06	0.17	0.08
	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares				
Employee Shares Option Plan (Shares'000)	324	282	324	282
Weighted average number of ordinary Shares for diluted earnings (losses) (Shares'000)	785,072	785,030	785,072	785,030
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(65,758)	(358,262)	123,003	1,588,795
Basic earnings (losses) per share (Baht)	(0.08)	(0.46)	0.16	2.02
Diluted earnings (losses) per share (Baht)	(0.08)	(0.46)	0.16	2.02

Share options were granted to Company managements and to selected employees. Share options were not exercised in the period.

9 Guarantees

As at 30 June 2012 and 30 September 2011, the Group and the Company have outstanding guarantees as follows:

	Consolidated					
	30 June 2012			30 September 2011		
	Baht'000	USD'000	AED'000	Baht'000	USD'000	AED'000
Letters of guarantee issued by banks in the normal course of business	27,590	1,048	50	15,600	689	-
Guarantee for long-term loans of subsidiaries to financial institutions	-	133,056	-	653,926	104,425	-
	Company					
	30 June 2012		30 September 2011			
	Baht'000	USD'000	Baht'000	USD'000		
Letters of guarantee issued by banks in the normal course of business		400	-	400	-	
Guarantee for long-term loans of subsidiaries to financial institutions		-	133,056	653,926	104,425	

10 Commitments and contingencies

(a) Operating lease commitments - company as lessee

The future aggregate minimum lease payments under operating lease of vessel are follows:

	Consolidated		Company	
	30 June 2012	30 September 2011	30 June 2012	30 September 2011
	Baht'000	Baht'000	Baht'000	Baht'000
No later than 1 year	203,846	-	-	-
Less than 2 year	135,340	-	-	-

(b) Other commitments

As at 30 June 2012, the Group has other commitments approximately Baht 65.2 million.

(c) Contingent liability

The Group has a contingent liability in the form of a loss from the interest rate swap contract which will mature on 29 September 2012. As at 30 June 2012, the net fair value of the interest rate swap contract was a negative of USD 3.4 million.

11 Related party transactions

Significant related party transactions are as follows:

11.1 Transactions with related parties

Significant related party transactions between the Company and its subsidiaries, associates, and other related parties which mean the group companies of Thoresen Thai Agencies Public Company Limited are as follows:

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Revenues				
<u>Service income</u>				
Other related parties	-	83	-	-
<u>Management fee income</u>				
Subsidiaries	-	-	68,085	89,787
Associates	-	138,764	-	138,764
	-	138,764	68,085	228,551
<u>Dividend income</u>				
Subsidiary	-	-	-	1,400,540
<u>Interest income</u>				
Subsidiaries	-	-	97,186	64,397
<u>Rental income</u>				
Subsidiaries	-	-	5,116	5,063
Other related party	163	1,422	163	1,422
	163	1,422	5,279	6,485
Expenses				
<u>Cost of services</u>				
Other related party	14,507	18,681	-	-
<u>Administrative expenses</u>				
Other related parties	17,713	3,342	12,860	3,342

There has been no significant change to the Group's policies in respect of related party transactions during the nine-month period that ended on 30 June 2012.

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11 Related party transactions (Cont'd)

11.2 Accounts receivable and payable - related parties

	Consolidated		Company	
	30 June 2012 Baht'000	30 September 2011 Baht'000	30 June 2012 Baht'000	30 September 2011 Baht'000
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	504,060	412,021
Other related parties	-	33	-	33
	-	33	504,060	412,054
<u>Trade accounts payable</u>				
Other related parties	7,269	2,970	-	-
<u>Amounts due to related parties</u>				
Subsidiaries	-	-	1,153,758	1,128,996
Other related parties	26,225	12,530	26,225	12,530
	26,225	12,530	1,179,983	1,141,526

11.3 Short-term loans to related parties

	Interest rate (%)	Consolidated		Company	
		30 June 2012 Baht'000	30 September 2011 Baht'000	30 June 2012 Baht'000	30 September 2011 Baht'000
Subsidiaries					
- Baht	2.75%	-	-	670,000	676,540
- US Dollar	2.75%	-	-	3,713,753	4,256,569
		-	-	4,383,753	4,933,109

All short-term loans to related parties are unsecured and have repayment terms at call.

12 Subsequent events

Additional investments in subsidiaries

On 10 July 2012, Mermaid Offshore Services Ltd. ("MOS"), a subsidiary, entered into a share purchase agreement for 20 ordinary shares in Seascope Surveys Pte. Ltd. ("SSPL") (the "SSPL Acquisition") representing 20% of the issued and paid up capital of SSPL, and 680,000 ordinary shares in Seascope Surveys (Thailand) Ltd. ("SSTL") (the "SSTL Acquisition") representing 20% of the issued and paid up capital of SSTL.

Following completion of the SSPL Acquisition and the SSTL Acquisition (collectively, the "Share Acquisitions"), SSPL and SSTL have each become a wholly owned subsidiary of MOS.

The first payment of USD 1,806,000 was paid on 20 July 2012. The second and final payments will be paid within 30 days after release of the audited financial results of Seascope Surveys Group for the 2013 and 2014 financial years based upon a certain percentage of earnings before interest expenses, income taxes, depreciation, and amortisation. However, it has been agreed that the initial guaranteed minimum consideration shall not be below USD 2,500,000.