

**Mermaid Maritime Public Company Limited  
and its Subsidiaries**

Financial statements  
for the year that ended on  
30 September 2013  
and  
Independent Auditor's report



**KPMG Phoomchai Audit Ltd.**  
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## Independent Auditor's Report

### To the Shareholders of Mermaid Maritime Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



*Opinion*

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 30 September 2013 and the financial performance and cash flows for the year then ended of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

*Emphasis of Matter*

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's adoption from 1 October 2012 of TAS 21 (revised 2009) "The Effects of Changes in Foreign Exchange Rates". The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 30 September 2012, which were audited by another auditor who expressed an unmodified opinion on those statements in his report dated on 26 November 2012, after making the adjustments described in note 3.

(Charoen Phosamritlert)  
Certified Public Accountant  
Registration No. 4068

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 November 2013

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

<b>Consolidated financial statements</b>							
<b>Assets</b>	<i>Note</i>	30 September	30 September	1 October	30 September	30 September	1 October
		2013	2012	2011	2013	2012	2011
<i>(in thousand US Dollar)</i>				<i>(in thousand Baht)</i>			
<b>Current assets</b>							
Cash and cash equivalents	7	148,819	62,314	43,482	4,671,533	1,921,066	1,355,221
Restricted deposits at financial institutions	8	-	-	6,625	-	-	206,484
Trade accounts receivable	6,9	89,861	49,399	53,484	2,820,799	1,522,912	1,666,957
Other accounts receivable	10	14,730	10,547	5,741	462,385	325,151	178,932
Receivables from related parties	6	4	-	-	126	-	-
Deferred contract costs	11	8,321	9,000	-	261,202	277,459	-
Supplies and spare parts		5,275	5,229	4,274	165,586	161,204	133,209
<b>Total current assets</b>		<b>267,010</b>	<b>136,489</b>	<b>113,606</b>	<b>8,381,631</b>	<b>4,207,792</b>	<b>3,540,803</b>
<b>Non-current assets</b>							
Restricted deposits at financial institutions	8	4,001	4,000	4,000	125,594	123,315	124,670
Investments in associates	12	100,316	62,108	62,419	3,148,989	1,914,715	1,945,438
Investments in jointly-controlled entity	14	-	-	-	-	-	-
Property, plant and equipment	15	327,855	320,161	331,250	10,291,598	9,870,179	10,324,201
Goodwill		10,136	10,136	10,136	318,176	312,481	315,913
Intangible assets	16	305	397	508	9,574	12,239	15,833
Deferred tax assets	17	31	2,778	3,300	973	85,642	102,852
Other non-current assets		660	87	409	20,718	2,682	12,747
<b>Total non-current assets</b>		<b>443,304</b>	<b>399,667</b>	<b>412,022</b>	<b>13,915,622</b>	<b>12,321,253</b>	<b>12,841,654</b>
<b>Total assets</b>		<b>710,314</b>	<b>536,156</b>	<b>525,628</b>	<b>22,297,253</b>	<b>16,529,045</b>	<b>16,382,457</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Liabilities and equity	Consolidated financial statements						
	Note	30 September 2013	30 September 2012	1 October 2011	30 September 2013	30 September 2012	1 October 2011
		<i>(in thousand US Dollar)</i>			<i>(in thousand Baht)</i>		
<b>Current liabilities</b>							
Trade accounts payable	6,19	16,614	10,593	6,092	521,525	326,569	189,872
Other accounts payable		3,600	2,068	4,813	113,006	63,754	150,009
Payables to related parties	6	46	807	402	1,444	24,879	12,529
Current portion of long-term borrowings from financial institutions	18	19,237	6,646	17,715	603,863	204,888	552,130
Current portion of finance lease liabilities	18	17	49	56	534	1,511	1,745
Current portion of share subscription payable	5	1,096	1,096	-	34,404	33,788	-
Income taxes payable		3,688	1,139	702	115,769	35,114	21,880
Accrued expenses		28,716	11,488	9,035	901,415	354,161	281,597
Current portion of employee benefit obligations	20	-	-	1,951	-	-	60,808
<b>Total current liabilities</b>		<b>73,014</b>	<b>33,886</b>	<b>40,766</b>	<b>2,291,960</b>	<b>1,044,664</b>	<b>1,270,570</b>
<b>Non-current liabilities</b>							
Long-term borrowings from financial institutions	18	117,377	124,009	108,039	3,684,546	3,823,049	3,367,295
Finance lease liabilities	18	62	28	88	1,946	863	2,743
Long-term portion of share subscription payable	5	1,363	1,363	-	42,786	42,020	-
Employee benefit obligations	20	1,711	988	773	53,709	30,459	24,092
<b>Total non-current liabilities</b>		<b>120,513</b>	<b>126,388</b>	<b>108,900</b>	<b>3,782,987</b>	<b>3,896,391</b>	<b>3,394,130</b>
<b>Total liabilities</b>		<b>193,527</b>	<b>160,274</b>	<b>149,666</b>	<b>6,074,947</b>	<b>4,941,055</b>	<b>4,664,700</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

		<b>Consolidated financial statements</b>					
<b>Liabilities and equity</b>	<i>Note</i>	30 September 2013	30 September 2012	1 October 2011	30 September 2013	30 September 2012	1 October 2011
				<i>(in thousand US Dollar)</i>		<i>Restated (in thousand Baht)</i>	
<b>Equity</b>							
Share capital	21						
Authorised share capital		-	-	-	1,416,701	791,214	791,214
Issued and paid-up share capital		45,429	27,287	27,287	1,354,440	784,748	784,748
Premium on share capital	21	411,613	303,300	303,300	13,219,720	9,818,420	9,818,420
Retained earnings							
Appropriated	22	4,314	2,444	2,444	135,444	78,475	78,475
Unappropriated		52,870	39,712	36,491	1,712,246	1,311,042	1,210,651
Other components of equity		872	1,120	3,430	(256,475)	(471,679)	(274,399)
<b>Equity attributable to owners of the Company</b>		<b>515,098</b>	<b>373,863</b>	<b>372,952</b>	<b>16,165,375</b>	<b>11,521,006</b>	<b>11,617,895</b>
Non-controlling interests		1,689	2,019	3,010	56,931	66,984	99,862
<b>Total equity</b>		<b>516,787</b>	<b>375,882</b>	<b>375,962</b>	<b>16,222,306</b>	<b>11,587,990</b>	<b>11,717,757</b>
<b>Total liabilities and equity</b>		<b>710,314</b>	<b>536,156</b>	<b>525,628</b>	<b>22,297,253</b>	<b>16,529,045</b>	<b>16,382,457</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Assets	Note	Separate financial statements					
		30 September	30 September	1 October	30 September	30 September	1 October
		2013	2012	2011	2013	2012	2011
		<i>(in thousand US Dollar)</i>			<i>(in thousand Baht)</i>		
<b>Current assets</b>							
Cash and cash equivalents	7	110,836	20,195	12,169	3,479,220	622,588	379,276
Other accounts receivable	10	148	135	441	4,646	4,162	13,745
Receivables from related parties	6	21,188	16,712	13,239	665,107	515,211	412,625
Short-term loans to related parties	6	146,957	150,484	158,894	4,613,083	4,639,241	4,952,313
<b>Total current assets</b>		<b>279,129</b>	<b>187,526</b>	<b>184,743</b>	<b>8,762,056</b>	<b>5,781,202</b>	<b>5,757,959</b>
<b>Non-current assets</b>							
Investments in associates	12	97,582	63,800	63,800	3,063,167	1,966,877	1,988,480
Investments in subsidiaries	13	140,273	140,321	140,321	4,403,268	4,325,928	4,373,441
Investments in jointly-controlled entity	14	213	-	-	6,686	-	-
Property, plant and equipment	15	3,619	3,840	4,211	113,603	118,383	131,246
Intangible assets	16	34	39	40	1,067	1,202	1,247
Other non-current assets		22	18	28	691	555	873
<b>Total non-current assets</b>		<b>241,743</b>	<b>208,018</b>	<b>208,400</b>	<b>7,588,482</b>	<b>6,412,945</b>	<b>6,495,287</b>
<b>Total assets</b>		<b>520,872</b>	<b>395,544</b>	<b>393,143</b>	<b>16,350,538</b>	<b>12,194,147</b>	<b>12,253,246</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

**Separate financial statements**

<b>Liabilities and equity</b>	<i>Note</i>	30 September	30 September	1 October	30 September	30 September	1 October
		2013	2012	2011	2013	2012	2011
		<i>(in thousand US Dollar)</i>			<i>(in thousand Baht)</i>		
						Restated	Restated
<b>Current liabilities</b>							
Other accounts payable		412	388	530	12,933	11,962	16,518
Payables to related parties	6	35,794	37,287	36,464	1,123,599	1,149,514	1,136,488
Current portion of finance lease liabilities	18	6	38	38	188	1,171	1,184
Accrued expenses		841	334	249	26,400	10,297	7,761
<b>Total current liabilities</b>		<b>37,053</b>	<b>38,047</b>	<b>37,281</b>	<b>1,163,120</b>	<b>1,172,944</b>	<b>1,161,951</b>
<b>Non-current liabilities</b>							
Finance lease liabilities	18	-	6	44	-	185	1,371
Employee benefit obligations	20	176	138	93	5,525	4,254	2,899
<b>Total non-current liabilities</b>		<b>176</b>	<b>144</b>	<b>137</b>	<b>5,525</b>	<b>4,439</b>	<b>4,270</b>
<b>Total liabilities</b>		<b>37,229</b>	<b>38,191</b>	<b>37,418</b>	<b>1,168,645</b>	<b>1,177,383</b>	<b>1,166,221</b>
<b>Equity</b>							
Share capital	21						
Authorised share capital		-	-	-	1,416,701	791,214	791,214
Issued and paid-up share capital		45,429	27,287	27,287	1,354,440	784,748	784,748
Premium on share capital	21	411,613	303,300	303,300	13,219,720	9,818,420	9,818,420
Retained earnings							
Appropriated	22	4,314	2,444	2,444	135,444	78,475	78,475
Unappropriated		22,260	24,310	22,694	741,197	803,279	752,912
Other components of equity		27	12	-	(268,908)	(468,158)	(347,530)
<b>Total equity</b>		<b>483,643</b>	<b>357,353</b>	<b>355,725</b>	<b>15,181,893</b>	<b>11,016,764</b>	<b>11,087,025</b>
<b>Total liabilities and equity</b>		<b>520,872</b>	<b>395,544</b>	<b>393,143</b>	<b>16,350,538</b>	<b>12,194,147</b>	<b>12,253,246</b>

The accompanying notes are an integral part of these financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

<b>Consolidated financial statements</b>					
		For the year that ended on 30 September		For the year that ended on 30 September	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
					Restated
Service income	6	269,601	183,562	8,212,936	5,721,169
Cost of services	6,24	(218,909)	(142,202)	(6,668,691)	(4,432,081)
<b>Gross profits</b>		<b>50,692</b>	<b>41,360</b>	<b>1,544,245</b>	<b>1,289,088</b>
Interest income	6	182	363	5,544	11,314
Other income	6	567	586	17,273	18,264
<b>Profit before expenses</b>		<b>51,441</b>	<b>42,309</b>	<b>1,567,062</b>	<b>1,318,666</b>
Administrative expenses	6,25	(28,866)	(25,012)	(879,354)	(779,560)
Gains (losses) on exchange rates		986	(106)	30,037	(3,304)
Net losses on disposals and write-offs of property, plant and equipment and intangible assets		(249)	(75)	(7,585)	(2,338)
<b>Total expenses</b>		<b>(28,129)</b>	<b>(25,193)</b>	<b>(856,902)</b>	<b>(785,202)</b>
<b>Profits before finance costs and income tax expenses</b>		<b>23,312</b>	<b>17,116</b>	<b>710,160</b>	<b>533,464</b>
Finance costs	27	(4,970)	(9,015)	(151,403)	(280,975)
Share of profits (losses) of investments in associates	12	4,426	(310)	134,831	(9,662)
Share of losses of investments in jointly-controlled entity	14	(213)	-	(6,489)	-
<b>Profits before income tax expenses</b>		<b>22,555</b>	<b>7,791</b>	<b>687,099</b>	<b>242,827</b>
Income tax expenses	28	(7,126)	(3,778)	(217,081)	(117,751)
<b>Profits for the year</b>		<b>15,429</b>	<b>4,013</b>	<b>470,018</b>	<b>125,076</b>
<b>Other comprehensive incomes (expenses):</b>					
Exchange differences on translating financial statements		(276)	160	(8,408)	4,987
<b>Total comprehensive income for the year</b>		<b>15,153</b>	<b>4,173</b>	<b>461,610</b>	<b>130,063</b>
<b>Profits (losses) attributable to:</b>					
Owners of the Company		15,746	3,221	479,675	100,391
Non-controlling interests		(317)	792	(9,657)	24,685
		<b>15,429</b>	<b>4,013</b>	<b>470,018</b>	<b>125,076</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

<b>Consolidated financial statements</b>				
	For the year that ended on 30 September		For the year that ended on 30 September	
<i>Note</i>	2013	2012	2013	2012 Restated
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Total comprehensive incomes (expenses)</b>				
<b>attributable to:</b>				
Owners of the Company	15,483	3,374	471,663	105,160
Non-controlling interests	(330)	799	(10,053)	24,903
	<u>15,153</u>	<u>4,173</u>	<u>461,610</u>	<u>130,063</u>
<b>Earnings per share</b>				
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic and diluted per share	30	<u>0.020</u>	<u>0.004</u>	<u>0.603</u>
			<u>0.128</u>	

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	<i>Note</i>	<b>Separate financial statements</b>			
		For the year that ended on 30 September		For the year that ended on 30 September	
		2013	2012	2013	2012 Restated
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Management fee income	6	1,910	2,258	58,185	70,376
Interest income	6	4,643	4,208	141,441	131,153
Net gains on disposals and write-offs of property, plant and equipment and intangible assets		2	-	61	-
Other income	6	589	394	17,943	12,280
<b>Total revenue</b>		<b>7,144</b>	<b>6,860</b>	<b>217,630</b>	<b>213,809</b>
Administrative expenses	6,25	(5,294)	(5,490)	(161,274)	(171,109)
Gains (losses) on exchange rates		(469)	341	(14,287)	10,628
<b>Total expenses</b>		<b>(5,763)</b>	<b>(5,149)</b>	<b>(175,561)</b>	<b>(160,481)</b>
<b>Profits before finance costs and income tax expenses</b>		<b>1,381</b>	<b>1,711</b>	<b>42,069</b>	<b>53,328</b>
Finance costs	27	(780)	-	(23,761)	-
<b>Profits before income tax expenses</b>		<b>601</b>	<b>1,711</b>	<b>18,308</b>	<b>53,328</b>
Income tax expenses	28	(63)	(95)	(1,919)	(2,961)
<b>Profits for the year</b>		<b>538</b>	<b>1,616</b>	<b>16,389</b>	<b>50,367</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>538</b>	<b>1,616</b>	<b>16,389</b>	<b>50,367</b>
<b>Earnings per share</b>		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic and diluted per share	30	0.001	0.002	0.021	0.064

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	<b>Consolidated financial statements</b>										
	Retained earnings					Other components of equity					
	Issued and paid-up share capital	Premium on share capital	Appropriated	Unappropriated	Currency translation differences	Share-based payment	Changes in ownership interests	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
	<i>(in thousand US Dollar)</i>										
<b>Year ended 30 September 2012</b>											
<b>Balance at 1 October 2011</b>	27,287	303,300	2,444	36,491	3,430	-	-	3,430	372,952	3,010	375,962
Share-based payment	35	-	-	-	-	12	-	12	12	-	12
Increase from additional investments in subsidiaries	5	-	-	-	-	-	(2,475)	(2,475)	(2,475)	(1,790)	(4,265)
Profits for the year	-	-	-	3,221	-	-	-	-	3,221	792	4,013
Exchange differences on translating financial statements	-	-	-	-	153	-	-	153	153	7	160
<b>Balance at 30 September 2012</b>	<b>27,287</b>	<b>303,300</b>	<b>2,444</b>	<b>39,712</b>	<b>3,583</b>	<b>12</b>	<b>(2,475)</b>	<b>1,120</b>	<b>373,863</b>	<b>2,019</b>	<b>375,882</b>
<b>Year ended 30 September 2013</b>											
<b>Balance at 1 October 2012</b>	27,287	303,300	2,444	39,712	3,583	12	(2,475)	1,120	373,863	2,019	375,882
Issues of ordinary shares	21	18,142	-	-	-	-	-	-	126,455	-	126,455
Share-based payment	35	-	-	-	-	15	-	15	15	-	15
Dividends paid	31	-	-	(718)	-	-	-	-	(718)	-	(718)
Profits for the year	-	-	-	15,746	-	-	-	-	15,746	(317)	15,429
Exchange differences on translating financial statements	-	-	-	-	(263)	-	-	(263)	(263)	(13)	(276)
Transfer to legal reserve	22	-	1,870	(1,870)	-	-	-	-	-	-	-
<b>Balance at 30 September 2013</b>	<b>45,429</b>	<b>411,613</b>	<b>4,314</b>	<b>52,870</b>	<b>3,320</b>	<b>27</b>	<b>(2,475)</b>	<b>872</b>	<b>515,098</b>	<b>1,689</b>	<b>516,787</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

		Consolidated financial statements									
		Other components of equity					Retained earnings				
		Currency translation differences		Share-based payment		Changes in ownership interests		Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		<i>(in thousand Baht)</i>									
		Issued and paid-up share capital	Premium on share capital	Appropriated	Unappropriated						
Note											
<b>Year ended 30 September 2012</b>											
	<b>Balance at 1 October 2011 - as reported</b>	784,748	9,818,420	78,475	1,858,659	(197,695)	-	(197,695)	12,342,607	99,008	12,441,615
3	Impact of changes in accounting policies	-	-	-	(648,008)	(76,704)	-	(76,704)	(724,712)	854	(723,858)
	<b>Balance at 1 October 2011 - restated</b>	784,748	9,818,420	78,475	1,210,651	(274,399)	-	(274,399)	11,617,895	99,862	11,717,757
35	Share-based payment	-	-	-	-	-	366	366	366	-	366
	Increase from additional investments in subsidiaries	-	-	-	-	-	-	(89,282)	(89,282)	(59,386)	(148,668)
5		-	-	-	-	-	-	-	-	-	-
	Profits for the year	-	-	-	100,391	-	-	-	100,391	24,685	125,076
	Exchange differences on translating financial statements	-	-	-	-	(108,364)	-	(108,364)	(108,364)	1,823	(106,541)
	<b>Balance at 30 September 2012</b>	784,748	9,818,420	78,475	1,311,042	(382,763)	366	(89,282)	11,521,006	66,984	11,587,990
<b>Year ended 30 September 2013</b>											
	<b>Balance at 1 October 2012 - as reported</b>	784,748	9,818,420	78,475	1,930,146	(219,165)	366	(89,282)	12,303,708	67,334	12,371,042
3	Impact of changes in accounting policies	-	-	-	(619,104)	(163,598)	-	(163,598)	(782,702)	(350)	(783,052)
	<b>Balance at 1 October 2012 - restated</b>	784,748	9,818,420	78,475	1,311,042	(382,763)	366	(89,282)	11,521,006	66,984	11,587,990
21	Issues of ordinary shares	569,692	3,401,300	-	-	-	-	-	3,970,992	-	3,970,992
35	Share-based payment	-	-	-	-	-	462	462	462	-	462
31	Dividends paid	-	-	-	(21,502)	-	-	-	(21,502)	-	(21,502)
	Profits for the year	-	-	-	479,675	-	-	-	479,675	(9,657)	470,018
	Exchange differences on translating financial statements	-	-	-	-	214,742	-	214,742	214,742	(396)	214,346
22	Transfer to legal reserve	-	-	56,969	(56,969)	-	-	-	-	-	-
	<b>Balance at 30 September 2013</b>	1,354,440	13,219,720	135,444	1,712,246	(168,021)	828	(89,282)	16,165,375	56,931	16,222,306

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Note	Issued and paid-up share capital	Premium on share capital	Separate financial statements			Total equity
				Appropriated	Unappropriated	Other components of equity	
<b>Year ended 30 September 2012</b>							
<b>Balance at 1 October 2011</b>		<b>27,287</b>	<b>303,300</b>	<b>2,444</b>	<b>22,694</b>	-	<b>355,725</b>
Share-based payment	35	-	-	-	-	12	12
Profits for the year		-	-	-	1,616	-	1,616
<b>Balance at 30 September 2012</b>		<b>27,287</b>	<b>303,300</b>	<b>2,444</b>	<b>24,310</b>	<b>12</b>	<b>357,353</b>
<b>Year ended 30 September 2013</b>							
<b>Balance at 1 October 2012</b>		<b>27,287</b>	<b>303,300</b>	<b>2,444</b>	<b>24,310</b>	<b>12</b>	<b>357,353</b>
Issues of ordinary shares	21	18,142	108,313	-	-	-	126,455
Share-based payment	35	-	-	-	-	15	15
Dividends paid	31	-	-	-	(718)	-	(718)
Profits for the year		-	-	-	538	-	538
Transfer to legal reserve	22	-	-	1,870	(1,870)	-	-
<b>Balance at 30 September 2013</b>		<b>45,429</b>	<b>411,613</b>	<b>4,314</b>	<b>22,260</b>	<b>27</b>	<b>483,643</b>

The accompanying notes are an integral part of these financial statements.

**Mermmaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

		<b>Separate financial statements</b>						
		<u>Retained earnings</u>			<u>Other components of equity</u>			
		Issued and paid-up share capital	Premium on share capital	Appropriated	Unappropriated	Currency translation differences	Share-based payment	Total other components of equity
<i>Note</i>								Total equity
		<i>(in thousand Baht)</i>						
<b>Year ended 30 September 2012</b>								
	<b>Balance at 1 October 2011 - as reported</b>	784,748	9,818,420	78,475	931,307	-	-	11,612,950
	Impact of changes in accounting policies	-	-	-	(178,395)	(347,530)	-	(525,925)
	<b>Balance at 1 October 2011 - restated</b>	784,748	9,818,420	78,475	752,912	(347,530)	-	11,087,025
	Share-based payment	-	-	-	-	-	366	366
	Profits for the year	-	-	-	50,367	(120,994)	-	(70,627)
	<b>Balance at 30 September 2012</b>	784,748	9,818,420	78,475	803,279	(468,524)	366	11,016,764
<b>Year ended 30 September 2013</b>								
	<b>Balance at 1 October 2012 - as reported</b>	784,748	9,818,420	78,475	928,072	-	366	11,610,081
	Impact of changes in accounting policies	-	-	-	(124,793)	(468,524)	-	(593,317)
	<b>Balance at 1 October 2012 - restated</b>	784,748	9,818,420	78,475	803,279	(468,524)	366	11,016,764
	Issues of ordinary shares	569,692	3,401,300	-	-	-	-	3,970,992
	Share-based payment	-	-	-	-	-	462	462
	Dividends paid	-	-	-	(21,502)	-	-	(21,502)
	Profits for the year	-	-	-	16,389	198,788	-	215,177
	Transfer to legal reserve	-	-	56,969	(56,969)	-	-	-
	<b>Balance at 30 September 2013</b>	1,354,440	13,219,720	135,444	741,197	(269,736)	828	15,181,893

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	<b>Consolidated financial statements</b>			
	For the year that ended on 30 September		For the year that ended on 30 September	
	2013	2012	2013	2012
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Cash flows from operating activities</b>				
Profits for the year	15,429	4,013	470,018	125,076
<i>Adjustments for:</i>				
Depreciation	27,304	25,932	831,769	808,235
Amortisation	3,009	277	91,664	8,634
Finance costs	4,970	9,015	151,403	280,975
Share-based payment	15	12	457	374
Losses from supplies and spare parts obsolescence	11	23	335	717
Net losses on disposals and write-offs				
of property, plant and equipment and intangible assets	249	75	7,585	2,338
Bad debt expenses	(121)	3,019	(3,686)	94,095
Unrealised (gains) losses on exchange rates	(316)	259	(9,626)	8,073
Employee benefit obligations	824	110	25,102	3,429
Losses from write-off of outstanding withholding taxes	-	522	-	16,269
Share of (profits) losses of investments in associates	(4,426)	310	(134,831)	9,662
Share of losses of investments in jointly-controlled entity	213	-	6,489	-
Exchange rate (gains) losses from translating financial statements	(200)	135	69,934	(21,986)
Income tax expenses	7,126	3,778	217,081	117,751
Cash flows from operations before changes in operating assets and liabilities	54,087	47,480	1,723,694	1,453,642
<i>Changes in operating assets and liabilities</i>				
Restricted deposits at financial institutions	(1)	6,625	(31)	204,241
Trade accounts receivable	(40,278)	1,144	(1,264,354)	35,268
Receivables from related parties	(4)	-	(126)	-
Other accounts receivable	(3,718)	(5,215)	(116,711)	(160,772)
Deferred contract costs	(2,012)	(9,000)	(63,158)	(277,459)
Supplies and spare parts	(58)	(978)	(1,821)	(30,151)
Other non-current assets	(573)	323	(17,987)	9,958
Trade accounts payable	5,980	4,498	187,716	138,668
Other accounts payable	2,305	(2,772)	72,356	(85,458)
Payables to related parties	(761)	405	(23,888)	12,486
Accrued expenses	17,180	2,273	539,292	70,074
	(21,940)	(2,697)	(688,712)	(83,145)
Cash generated from operating activities	32,147	44,783	1,034,982	1,370,497
Finance costs paid	(4,711)	(8,897)	(143,513)	(277,297)
Income taxes paid	(2,458)	(2,680)	(74,879)	(83,529)
Employee benefits paid	-	(1,820)	-	(56,724)
<b>Net cash from operating activities</b>	<b>24,978</b>	<b>31,386</b>	<b>816,590</b>	<b>952,947</b>

The accompanying notes are an integral part of these financial statements.



## Mermaid Maritime Public Company Limited and its Subsidiaries

### Statement of cash flows

	<b>Consolidated financial statements</b>			
	For the year that		For the year that	
	ended on 30 September		ended on 30 September	
	2013	2012	2013	2012
			Restated	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Cash flows from investing activities</b>				
Payment for investments in subsidiaries	-	(1,806)	-	(55,677)
Payment for investments in associates	(33,782)	-	(1,060,441)	-
Payment for investments in jointly-controlled entity	(213)	-	(6,686)	-
Proceeds from disposals of property, plant and equipment and intangible assets	6,363	90	199,739	2,775
Payment for purchases of property, plant and equipment	(42,161)	(15,120)	(1,323,463)	(466,131)
Payment for purchases of intangible assets	(226)	(208)	(7,094)	(6,412)
<b>Net cash used in investing activities</b>	<b>(70,019)</b>	<b>(17,044)</b>	<b>(2,197,945)</b>	<b>(525,445)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from financial institutions	35,000	-	1,098,675	-
Repayments of short-term borrowings from financial institutions	(35,000)	-	(1,098,675)	-
Repayments of finance lease liabilities	(51)	(69)	(1,601)	(2,127)
Proceeds from long-term borrowings from financial institutions	13,833	45,000	434,228	1,387,296
Repayment of long-term borrowings from financial institutions	(7,991)	(40,209)	(250,843)	(1,239,595)
Dividends paid to shareholders	(718)	-	(21,502)	-
Proceeds from issue of ordinary shares	126,455	-	3,970,992	-
<b>Net cash from financing activities</b>	<b>131,528</b>	<b>4,722</b>	<b>4,131,274</b>	<b>145,574</b>
<b>Net increase in cash and cash equivalents</b>	<b>86,487</b>	<b>19,064</b>	<b>2,749,919</b>	<b>573,076</b>
Cash and cash equivalents at the beginning of the year	62,314	43,482	1,921,066	1,355,221
Effects of exchange rates	18	(232)	548	(7,231)
<b>Cash and cash equivalents at the end of the year</b>	<b>148,819</b>	<b>62,314</b>	<b>4,671,533</b>	<b>1,921,066</b>
<b>Non-cash transactions</b>				
Unpaid liabilities for purchases of property, plant and equipment	311	155	9,763	4,778
Unpaid liabilities for share subscription in subsidiaries	2,459	2,459	77,190	75,808
Using finance lease agreements to purchases of equipment	90	84	2,825	2,836

The accompanying notes are an integral part of these financial statements.

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Statement of cash flows

	<b>Separate financial statements</b>			
	For the year that		For the year that	
	ended on 30 September		ended on 30 September	
	2013	2012	2013	2012
			Restated	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Cash flows from operating activities</b>				
Profits for the year	538	1,616	16,389	50,367
<i>Adjustments for:</i>				
Depreciation	461	438	14,044	13,652
Amortisation	22	19	670	592
Finance costs	780	-	23,761	-
Share-based payment	15	12	457	374
Net gains on disposals and write-offs				
of property, plant and equipment and intangible assets	(2)	-	(61)	-
Realised gains on exchange rates	(12)	(2)	(366)	(62)
Unrealised (gains) losses on exchange rates	656	(353)	19,983	(11,002)
Employee benefit obligations	41	43	1,249	1,340
Losses from write-off of outstanding withholding taxes	-	302	-	9,413
Gains on disposals of investments in subsidiaries	(163)	-	(4,966)	-
Exchange rate (gains) losses from translating financial statements	(3)	3	10,177	(4,735)
Income tax expenses	63	95	1,919	2,961
Cash flows from operations before changes in operating assets and liabilities	2,396	2,173	83,256	62,900
<i>Changes in operating assets and liabilities</i>				
Receivables from related parties	(4,675)	(3,369)	(146,752)	(103,862)
Other accounts receivable	(15)	(11)	(471)	(339)
Other non-current assets	(4)	9	(126)	277
Other accounts payable	24	(61)	754	(1,881)
Payables to related parties	(1,488)	522	(46,709)	16,093
Accrued expenses	507	85	15,915	2,620
	(5,651)	(2,825)	(177,389)	(87,092)
Cash used in operating activities	(3,255)	(652)	(94,133)	(24,192)
Finance costs paid	(780)	-	(23,761)	-
Income taxes paid	(63)	(95)	(1,919)	(2,961)
<b>Net cash used in operating activities</b>	<b>(4,098)</b>	<b>(747)</b>	<b>(119,813)</b>	<b>(27,153)</b>

The accompanying notes are an integral part of these financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

**Separate financial statements**

	For the year that ended on 30 September		For the year that ended on 30 September	
	2013	2012	2013	2012 Restated
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Cash flows from investing activities</b>				
Short-term loans received from related parties	17,812	25,499	559,131	786,104
Short-term loans provided to related parties	(14,731)	(16,550)	(462,416)	(510,217)
Proceeds from disposals of investments in subsidiaries	212	-	6,655	-
Payment for investments in associates	(33,782)	-	(1,060,441)	-
Payment for investments in jointly-controlled entity	(213)	-	(6,686)	-
Proceeds from disposals of property, plant and equipment and intangible assets	2	16	63	493
Payment for purchases of property, plant and equipment	(239)	(148)	(7,502)	(4,563)
Payment for purchases of intangible assets	(18)	(19)	(565)	(586)
<b>Net cash from (used in) investing activities</b>	<b>(30,957)</b>	<b>8,798</b>	<b>(971,761)</b>	<b>271,231</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from financial institutions	35,000	-	1,098,675	-
Proceeds from short-term borrowings from related parties	9,500	-	298,212	-
Repayments of short-term borrowings from financial institutions	(35,000)	-	(1,098,675)	-
Repayments of short-term borrowings from related parties	(9,500)	-	(298,212)	-
Repayments of finance lease liabilities	(38)	(38)	(1,193)	(1,171)
Dividends paid to shareholders	(718)	-	(21,502)	-
Proceeds from issue of ordinary shares	126,455	-	3,970,992	-
<b>Net cash from (used in) financing activities</b>	<b>125,699</b>	<b>(38)</b>	<b>3,948,297</b>	<b>(1,171)</b>
<b>Net increase in cash and cash equivalents</b>	<b>90,644</b>	<b>8,013</b>	<b>2,856,723</b>	<b>242,907</b>
Cash and cash equivalents at the beginning of the year	20,195	12,169	622,588	379,276
Effects of exchange rates	(3)	13	(91)	405
<b>Cash and cash equivalents at the end of the year</b>	<b>110,836</b>	<b>20,195</b>	<b>3,479,220</b>	<b>622,588</b>
<b>Non-cash transactions</b>				
Using finance lease agreements to purchase computer hardware	6	44	195	1,366

The accompanying notes are an integral part of these financial statements.

# **Mermaid Maritime Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

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# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 26 November 2013.

### 1 General information

Mermaid Maritime Public Company Limited (the “Company”) is a limited public company which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is at 26/28-29 Orakarn Building, 9<sup>th</sup> 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 and ownership and operations 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.

Details of the Company’s subsidiaries, associates, and jointly-controlled entity as at 30 September 2013 and 2012 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/indirect Holding (%)	
			30 September 2013	30 September 2012
<i>Subsidiaries</i>				
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Subsea Service Provider to offshore oil and gas industry	Thailand	100.0	100.0
Nemo Subsea AS*	Vessel owner	Norway	-	100.0
Nemo Subsea IS*	”	Norway	-	97.0
Seascope Surveys (Thailand) Ltd.	Subsea Service Provider, hydrographic survey and positioning to the offshore oil and gas industry	Thailand	100.0	100.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	”	Singapore	100.0	100.0
PT Seascope Surveys Indonesia	”	Indonesia	95.0	95.0
Subtech Ltd., which has one subsidiary and one associate as follows:	Diving and subsea contractor	Seychelles	100.0	100.0
Subtech Saudi Arabia Limited	Diving Services	Saudi Arabia	70.0	70.0
Subtech Qatar Diving and Marine Services LLC **	”	Qatar	49.0	49.0
Mermaid Offshore Services Pty. Ltd. *	Diving services	Australia	-	100.0
Mermaid Offshore Services Pte. Ltd.	Marketing services for offshore oil and gas contract	Singapore	100.0	100.0

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

Name of the entities	Nature of business	Country of incorporation	Direct/indirect Holding (%)	
			30 September 2013	30 September 2012
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Production and exploration drilling services	Thailand	95.0	95.0
MTR - 1 Ltd.	Drilling services	Thailand	95.0	95.0
MTR - 2 Ltd.	”	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	”	Malaysia	95.0	95.0
MTR - 1 (Singapore) Pte. Ltd.	”	Singapore	95.0	95.0
MTR - 2 (Singapore) Pte. Ltd.	”	Singapore	95.0	95.0
Mermaid Training and Technical Services Ltd. *	Sub-sea engineering training	Thailand	-	100.0
Mermaid Drilling (Singapore) Pte. Ltd., which has one subsidiary as follows:	Production and exploration drilling services	Singapore	100.0	100.0
MTR - 3 (Singapore) Pte. Ltd.	”	Singapore	100.0	100.0
<i>Associates</i>				
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Drilling services	Bermuda	33.76	33.75
Asia Offshore Rig 1 Limited	”	Bermuda	33.76	33.75
Asia Offshore Rig 2 Limited	”	Bermuda	33.76	33.75
Asia Offshore Rig 3 Limited	”	Bermuda	33.76	33.75
<i>Jointly-controlled entity</i>				
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for offshore oil and gas industry	Saudi Arabia	40.00	-

- \* Mermaid Offshore Services Pty. Ltd. was deregistered on 31 October 2012.  
Nemo Subsea AS and Nemo Subsea IS were deregistered on 4 March 2013.  
Mermaid Training and Technical Services Ltd. was deregistered on 19 June 2013.
- \*\* Significant control

**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”).

As at 30 September 2013, the FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements except early adopted of TAS 21 (revised 2009): The Effects of Changes in Foreign Exchange Rates as disclosed in notes 2(c) and 3. These new and revised TFRS are disclosed in note 37.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- the present value of the defined benefit obligation.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (c) *Functional and presentation currency*

The Group has early adopted TAS 21 (revised 2009): The Effects of Changes in Foreign Exchange Rates, which has resulted in a change in the Group's accounting policy. The effect of this change is disclosed in note 3.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are stated in US Dollar, which is the Company's functional currency, and Thai Baht, which is the Company's presentation currency. The basis of the translation from the functional currency (US Dollar) to the presentation currency (Thai Baht) is disclosed in note 4 (b).

### (d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 5	Acquisitions of businesses
Note 9	Provisions and contingencies
Note 13, 15	Key assumptions used in discounted cash flow projections
Note 17	Deferred Tax
Note 20	Measurement of defined benefit obligation
Note 28	Utilisation of tax losses
Note 32	Valuation of financial instruments
Note 34	Contingent liabilities
Note 35	Measurement of share-based payment

## 3 **Changes in accounting policies**

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

On 30 September 2013, the Company's management has determined US Dollar as the functional currency in accordance with TAS 21 (revised 2009) "The Effects of Changes in Foreign Exchange Rates". The adoption of TAS 21 (revised 2009) has impact on the separated and consolidated financial statements, the effects of the change are recognised retrospectively. Given that it is not practicable to present the effect of the adoption of TAS 21 (revised 2009) on the current period of the separated and consolidated financial statements. Retrospective adjustments for financial years that ended on 30 September 2012 and 1 October 2011 were as follows:-

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>			30 September 2012 After adjustment
	30 September 2012 Before adjustment	Reclassification <i>(in thousand Baht)</i>	Retrospective adjustment	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,916,973	-	4,093	1,921,066
Trade accounts receivable	1,521,248	-	1,664	1,522,912
Other accounts receivable	256,621	66,562	1,968	325,151
Advances to third party	286,707	(286,707)	-	-
Deferred contract costs	-	277,459	-	277,459
Supplies and spare parts	166,157	-	(4,953)	161,204
Other current assets	51,874	(60,671)	8,797	-
<b>Total current assets</b>	<b>4,199,580</b>	<b>(3,357)</b>	<b>11,569</b>	<b>4,207,792</b>
<b>Non-current assets</b>				
Restricted deposits at financial institutions	122,777	-	538	123,315
Investments in associates	1,852,378	-	62,337	1,914,715
Property, plant and equipment	10,718,929	-	(848,750)	9,870,179
Goodwill	332,279	-	(19,798)	312,481
Intangible assets	13,031	-	(792)	12,239
Deferred expenses	26,459	(26,459)	-	-
Deferred tax assets	85,694	-	(52)	85,642
Other non-current assets	6,359	441	(4,118)	2,682
<b>Total non-current assets</b>	<b>13,157,906</b>	<b>(26,018)</b>	<b>(810,635)</b>	<b>12,321,253</b>
<b>Total assets</b>	<b>17,357,486</b>	<b>(29,375)</b>	<b>(799,066)</b>	<b>16,529,045</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade accounts payable	327,302	-	(733)	326,569
Other accounts payable	14,077	49,727	(50)	63,754
Payables to related parties	24,892	-	(13)	24,879
Current portion of long-term borrowings from financial institutions	209,209	(3,357)	(964)	204,888
Current portion of finance lease liabilities	1,501	-	10	1,511
Current portion of share subscription payable	33,823	-	(35)	33,788
Income taxes payable	35,484	-	(370)	35,114
Accrued expenses	354,984	-	(823)	354,161
Other current liabilities	44,711	(49,727)	5,016	-
<b>Total current liabilities</b>	<b>1,045,983</b>	<b>(3,357)</b>	<b>2,038</b>	<b>1,044,664</b>



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>			
	30 September 2012 Before adjustment	Reclassification Retrospective adjustment <i>(in thousand Baht)</i>	Retrospective adjustment	
<b><i>Non-current liabilities</i></b>				
Long-term borrowings from financial institutions	3,866,496	(26,018)	(17,429)	3,823,049
Finance lease liabilities	1,089	-	(226)	863
Long-term portion of share subscription payable	42,207	-	(187)	42,020
Employee benefit obligations	30,669	-	(210)	30,459
<b>Total non-current liabilities</b>	<b>3,940,461</b>	<b>(26,018)</b>	<b>(18,052)</b>	<b>3,896,391</b>
<b>Total liabilities</b>	<b>4,986,444</b>	<b>(29,375)</b>	<b>(16,014)</b>	<b>4,941,055</b>
<b><i>Equity</i></b>				
Share capital				
Authorised share capital	791,214	-	-	791,214
Issued and paid-up share capital	784,748	-	-	784,748
Premium on share capital	9,818,420	-	-	9,818,420
Retained earnings				
Appropriated	78,475	-	-	78,475
Unappropriated	1,930,146	-	(619,104)	1,311,042
Other components of equity	(308,081)	-	(163,598)	(471,679)
<b>Equity attributable to owners of the Company</b>	<b>12,303,708</b>	<b>-</b>	<b>(782,702)</b>	<b>11,521,006</b>
Non-controlling interests	67,334	-	(350)	66,984
<b>Total equity</b>	<b>12,371,042</b>	<b>-</b>	<b>(783,052)</b>	<b>11,587,990</b>
<b>Total liabilities and equity</b>	<b>17,357,486</b>	<b>(29,375)</b>	<b>(799,066)</b>	<b>16,529,045</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	30 September 2012 Before adjustment	Separate financial statements		30 September 2012 After adjustment
		Reclassification (in thousand Baht)	Retrospective adjustment	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	619,922	-	2,666	622,588
Other accounts receivable	3,316	863	(17)	4,162
Receivables from related parties	514,200	-	1,011	515,211
Short-term loans to related parties	4,621,503	-	17,738	4,639,241
Other current assets	804	(863)	59	-
<b>Total current assets</b>	<b>5,759,745</b>	<b>-</b>	<b>21,457</b>	<b>5,781,202</b>
<b>Non-current assets</b>				
Investments in associates	1,903,814	-	63,063	1,966,877
Investments in subsidiaries	4,970,999	-	(645,071)	4,325,928
Property, plant and equipment	156,088	-	(37,705)	118,383
Intangible assets	1,247	-	(45)	1,202
Other non-current assets	569	-	(14)	555
<b>Total non-current assets</b>	<b>7,032,717</b>	<b>-</b>	<b>(619,772)</b>	<b>6,412,945</b>
<b>Total assets</b>	<b>12,792,462</b>	<b>-</b>	<b>(598,315)</b>	<b>12,194,147</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Other accounts payable	3,501	8,509	(48)	11,962
Payables to related parties	1,154,480	-	(4,966)	1,149,514
Current portion of finance lease liabilities	1,170	-	1	1,171
Accrued expenses	10,296	-	1	10,297
Other current liabilities	8,489	(8,509)	20	-
<b>Total current liabilities</b>	<b>1,177,936</b>	<b>-</b>	<b>(4,992)</b>	<b>1,172,944</b>
<b>Non-current liabilities</b>				
Finance lease liabilities	196	-	(11)	185
Employee benefit obligations	4,249	-	5	4,254
<b>Total non-current liabilities</b>	<b>4,445</b>	<b>-</b>	<b>(6)</b>	<b>4,439</b>
<b>Total liabilities</b>	<b>1,182,381</b>	<b>-</b>	<b>(4,998)</b>	<b>1,177,383</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	30 September 2012 Before adjustment	Separate financial statements		30 September 2012 After adjustment
		Reclassification	Retrospective adjustment	
<i>Equity</i>				
Share capital				
Authorised share capital	791,214	-	-	791,214
Issued and paid-up share capital	784,748	-	-	784,748
Premium on share capital	9,818,420	-	-	9,818,420
Retained earnings				
Appropriated	78,475	-	-	78,475
Unappropriated	928,072	-	(124,793)	803,279
Other components of equity	366	-	(468,524)	(468,158)
<b>Total equity</b>	<b>11,610,081</b>	<b>-</b>	<b>(593,317)</b>	<b>11,016,764</b>
<b>Total liabilities and equity</b>	<b>12,792,462</b>	<b>-</b>	<b>(598,315)</b>	<b>12,194,147</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>		
	30 September 2012 Before adjustment	Retrospective adjustment <i>(in thousand Baht)</i>	30 September 2012 After adjustment
Service income	5,714,142	7,027	5,721,169
Cost of services	(4,511,570)	79,489	(4,432,081)
<b>Gross profits</b>	<b>1,202,572</b>	<b>86,516</b>	<b>1,289,088</b>
Interest income	11,312	2	11,314
Other income	18,326	(62)	18,264
<b>Profit before expenses</b>	<b>1,232,210</b>	<b>86,456</b>	<b>1,318,666</b>
Administrative expenses	(787,351)	7,791	(779,560)
Gains (losses) on exchange rates	56,379	(59,683)	(3,304)
Net gains on disposals and write-offs of property, plant and equipment and intangible assets	(2,340)	2	(2,338)
<b>Total expenses</b>	<b>(733,312)</b>	<b>(51,890)</b>	<b>(785,202)</b>
<b>Profits before finance costs and income tax expenses</b>	<b>498,898</b>	<b>34,566</b>	<b>533,464</b>
Finance costs	(284,897)	3,922	(280,975)
Share of losses of investments in associates	(9,663)	1	(9,662)
<b>Profits before income tax expenses</b>	<b>204,338</b>	<b>38,489</b>	<b>242,827</b>
Income tax expenses	(118,316)	565	(117,751)
<b>Profits for the year</b>	<b>86,022</b>	<b>39,054</b>	<b>125,076</b>
<b>Other comprehensive incomes:</b>			
Exchange differences on translating financial statements	(22,150)	27,137	4,987
<b>Total comprehensive income for the year</b>	<b>63,872</b>	<b>66,191</b>	<b>130,063</b>
<b>Profits attributable to:</b>			
Owners of the Company	71,487	28,904	100,391
Non-controlling interests	14,535	10,150	24,685
	<b>86,022</b>	<b>39,054</b>	<b>125,076</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>		
	30 September 2012 Before adjustment	Retrospective adjustment <i>(in thousand Baht)</i>	30 September 2012 After adjustment
<b>Total comprehensive incomes</b>			
<b>attributable to:</b>			
Owners of the Company	50,017	55,143	105,160
Non-controlling interests	13,855	11,048	24,903
	<b>63,872</b>	<b>66,191</b>	<b>130,063</b>
<b>Earnings per share</b>			
Basic and diluted per share <i>(in Baht)</i>	0.091	0.037	0.128

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Separate financial statements</b>		
	30 September 2012 Before adjustment	Retrospective adjustment <i>(in thousand Baht)</i>	30 September 2012 After adjustment
Management fee income	70,380	(4)	70,376
Interest income	130,707	446	131,153
Other income	12,268	12	12,280
<b>Total revenue</b>	<b>213,355</b>	<b>454</b>	<b>213,809</b>
Administrative expenses	(174,103)	2,994	(171,109)
Gains (losses) on exchange rates	(39,527)	50,155	10,628
<b>Total expenses</b>	<b>(213,630)</b>	<b>53,149</b>	<b>(160,481)</b>
<b>Profits (losses) before income tax expenses</b>	<b>(275)</b>	<b>53,603</b>	<b>53,328</b>
Income tax expenses	(2,960)	(1)	(2,961)
<b>Profits (losses) for the year</b>	<b>(3,235)</b>	<b>53,602</b>	<b>50,367</b>
<b>Total comprehensive income for the year</b>	<b>(3,235)</b>	<b>53,602</b>	<b>50,367</b>
<b>Earnings per share</b>			
Basic and diluted per share <i>(in Baht)</i>	(0.004)	0.068	0.064

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements			1 October 2011 After adjustment
	1 October 2011 Before adjustment	Reclassification Retrospective adjustment <i>(in thousand Baht)</i>	Retrospective adjustment	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,352,380	-	2,841	1,355,221
Restricted deposits at financial institutions	206,484	-	-	206,484
Trade accounts receivable	1,661,898	-	5,059	1,666,957
Other accounts receivable	104,307	80,608	(5,983)	178,932
Supplies and spare parts	137,926	-	(4,717)	133,209
Other current assets	32,527	(83,965)	51,438	-
<b>Total current assets</b>	<b>3,495,522</b>	<b>(3,357)</b>	<b>48,638</b>	<b>3,540,803</b>
<b>Non-current assets</b>				
Restricted deposits at financial institutions	124,110	-	560	124,670
Investments in associates	1,862,041	-	83,397	1,945,438
Property, plant and equipment	11,122,394	-	(798,193)	10,324,201
Goodwill	332,279	-	(16,366)	315,913
Intangible assets	16,206	-	(373)	15,833
Deferred expenses	29,375	(29,375)	-	-
Deferred tax assets	99,437	-	3,415	102,852
Other non-current assets	22,739	-	(9,992)	12,747
<b>Total non-current assets</b>	<b>13,608,581</b>	<b>(29,375)</b>	<b>(737,552)</b>	<b>12,841,654</b>
<b>Total assets</b>	<b>17,104,103</b>	<b>(32,732)</b>	<b>(688,914)</b>	<b>16,382,457</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>			1 October 2011 After adjustment
	1 October 2011 Before adjustment	Reclassification <i>(in thousand Baht)</i>	Retrospective adjustment	
<b>Liabilities and equity</b>				
<b><i>Current liabilities</i></b>				
Trade accounts payable	187,311	-	2,561	189,872
Other accounts payable	57,110	95,653	(2,754)	150,009
Payables to related parties	12,530	-	(1)	12,529
Current portion of long-term borrowings from financial institutions	556,747	(3,357)	(1,260)	552,130
Current portion of finance lease liabilities	1,744	-	1	1,745
Income taxes payable	19,684	-	2,196	21,880
Accrued expenses	279,906	-	1,691	281,597
Current portion of employee benefit obligations	61,031	-	(223)	60,808
Other current liabilities	50,482	(95,653)	45,171	-
<b>Total current liabilities</b>	<b>1,226,545</b>	<b>(3,357)</b>	<b>47,382</b>	<b>1,270,570</b>
<b><i>Non-current liabilities</i></b>				
Long-term borrowings from financial institutions	3,409,963	(29,375)	(13,293)	3,367,295
Finance lease liabilities	3,277	-	(534)	2,743
Employee benefit obligations	22,703	-	1,389	24,092
<b>Total non-current liabilities</b>	<b>3,435,943</b>	<b>(29,375)</b>	<b>(12,438)</b>	<b>3,394,130</b>
<b>Total liabilities</b>	<b>4,662,488</b>	<b>(32,732)</b>	<b>34,944</b>	<b>4,664,700</b>
<b><i>Equity</i></b>				
<b>Share capital</b>				
Authorised share capital	791,214	-	-	791,214
Issued and paid-up share capital	784,748	-	-	784,748
Premium on share capital	9,818,420	-	-	9,818,420
<b>Retained earnings</b>				
Appropriated	78,475	-	-	78,475
Unappropriated	1,858,659	-	(648,008)	1,210,651
Other components of equity	(197,695)	-	(76,704)	(274,399)
<b>Equity attributable to owners of the Company</b>	<b>12,342,607</b>	<b>-</b>	<b>(724,712)</b>	<b>11,617,895</b>
Non-controlling interests	99,008	-	854	99,862
<b>Total equity</b>	<b>12,441,615</b>	<b>-</b>	<b>(723,858)</b>	<b>11,717,757</b>
<b>Total liabilities and equity</b>	<b>17,104,103</b>	<b>(32,732)</b>	<b>(688,914)</b>	<b>16,382,457</b>



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	Separate financial statements			1 October 2011 After adjustment
	1 October 2011 Before adjustment	Reclassification Retrospective adjustment <i>(in thousand Baht)</i>	Retrospective adjustment	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	377,635	-	1,641	379,276
Other accounts receivable	2,992	10,784	(31)	13,745
Receivables from related parties	412,021	-	604	412,625
Short-term loans to related parties	4,933,109	-	19,204	4,952,313
Other current assets	10,784	(10,784)	-	-
<b>Total current assets</b>	<b>5,736,541</b>	<b>-</b>	<b>21,418</b>	<b>5,757,959</b>
<b>Non-current assets</b>				
Investments in associates	1,903,814	-	84,666	1,988,480
Investments in subsidiaries	4,970,999	-	(597,558)	4,373,441
Property, plant and equipment	170,644	-	(39,398)	131,246
Intangible assets	1,256	-	(9)	1,247
Other non-current assets	864	-	9	873
<b>Total non-current assets</b>	<b>7,047,577</b>	<b>-</b>	<b>(552,290)</b>	<b>6,495,287</b>
<b>Total assets</b>	<b>12,784,118</b>	<b>-</b>	<b>(530,872)</b>	<b>12,253,246</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Other accounts payable	5,758	10,659	101	16,518
Payables to related parties	1,141,526	-	(5,038)	1,136,488
Current portion of finance lease liabilities	1,170	-	14	1,184
Accrued expenses	7,759	-	2	7,761
Other current liabilities	10,681	(10,659)	(22)	-
<b>Total current liabilities</b>	<b>1,166,894</b>	<b>-</b>	<b>(4,943)</b>	<b>1,161,951</b>
<b>Non-current liabilities</b>				
Finance lease liabilities	1,366	-	5	1,371
Employee benefit obligations	2,908	-	(9)	2,899
<b>Total non-current liabilities</b>	<b>4,274</b>	<b>-</b>	<b>(4)</b>	<b>4,270</b>
<b>Total liabilities</b>	<b>1,171,168</b>	<b>-</b>	<b>(4,947)</b>	<b>1,166,221</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	1 October 2011 Before adjustment	Separate financial statements		1 October 2011 After adjustment
		Reclassification	Retrospective adjustment	
		<i>(in thousand Baht)</i>		
<b>Equity</b>				
Share capital				
Authorised share capital	791,214	-	-	791,214
Issued and paid-up share capital	784,748	-	-	784,748
Premium on share capital	9,818,420	-	-	9,818,420
Retained earnings				
Appropriated	78,475	-	-	78,475
Unappropriated	931,307	-	(178,395)	752,912
Other components of equity	-	-	(347,530)	(347,530)
<b>Total equity</b>	<b>11,612,950</b>	<b>-</b>	<b>(525,925)</b>	<b>11,087,025</b>
<b>Total liabilities and equity</b>	<b>12,784,118</b>	<b>-</b>	<b>(530,872)</b>	<b>12,253,246</b>

**Reclassification**

Certain accounts in the 2012 and 2011 financial statements have been reclassified to conform to the presentation in the 2013 financial statements as disclosed as above. The reclassifications have been made to comply with the classification set of in the announcement of the Department of Business Development on 28 September 2011 “The brief required in Financial Statements” and in the opinion of management, the new classification is more appropriate to the Group’s business.

**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3, which addresses changes in accounting policies.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in jointly-controlled entities.

*Business combinations*

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, other professional and consulting fees are expensed as incurred.

### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued in 2009 by the FAP.

### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### *Jointly-controlled entities and associates (equity-accounted investees)*

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or made payments on behalf of the investee.

#### *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entity are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **(b) Foreign currencies translations**

#### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualify net investment hedges. All other foreign exchange gains and losses are presented in profit or loss within "gains (losses) on exchange rates".

#### *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follow:

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of the statement of financial position.
- (b) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions and
- (c) all resulting exchange differences are recognised in other comprehensive income.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

### (c) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

### (d) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### (e) *Supplies and spare parts*

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts. Bunker supplies are stated at cost, determined on a first-in, first-out basis. Vessel supplies and spare parts are stated at cost, determined on a weighted average basis. Rig supplies and spare parts are stated at historical cost, determined on a specific identification basis. The rig supplies and spare parts purchased to replace those used during the year are reported as vessel costs of service in profit and loss.

### (f) *Investments*

#### *Investments in subsidiaries, jointly-controlled entities and associates*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in jointly-controlled entities and associates in the consolidated financial statements are accounted for using the equity method.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

### (g) *Property, plant and equipment*

#### *Recognition and measurement*

#### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss.

### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
Offshore support vessels	5 to 30 years
Second-hand tender rigs	1 to 20 years
Motor launches	10 years
Tools and equipment	3 to 20 years
Office equipment	3 to 5 years
Motor vehicles	5 to 10 years

No depreciation is provided on freehold land or assets under construction.

The estimated useful lives of support vessels and tender rigs are based on their remaining useful lives at the acquisition date. Depreciation is calculated based on a component approach on the cost of the vessels and tender rigs less an estimated residual value.

Expenditures incurred during inspections, major repairs, or dry-docking are recognised in the carrying amount of property, plant, and equipment as a replacement if the recognition criteria are satisfied. Dry-docking costs are considered a separate component of the vessels' cost that have a different pattern of economic benefits and are therefore depreciated separately. Dry-docking expenses are amortised over the period until the next scheduled dry-docking up to a maximum of 5 years.

## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **(h) Intangible assets**

##### *Goodwill*

The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

##### *Other intangible assets*

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

##### *Amortisation*

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software licenses	1, 3 and 5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **(i) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

##### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

# **Mermaid Maritime Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(j) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

### **(k) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

### **(l) Employee benefits**

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

#### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.



## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

#### *Termination benefits*

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### *Share-based payments*

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

#### **(m) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **(n) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Rendering of services*

The Group recognises revenue as services are performed based upon (a) contracted day rates and the number of operating days during the period or (b) agreed service charge. When the arrangement contains a lease obligation, revenue is evenly recognised over the contract period.

## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

Mobilisation activities related to drilling rig activity to mobilise a rig from one geographic area to another are linked to the underlying contracts. Certain contracts include mobilisation fees paid at the start of the contracts. Where the mobilisation fee covers a general or specific upgrade of a rig or equipment, the fee is recognised as revenue over the contract period. In cases where the fee covers specific operating expenses at the start up of the contract, the fee is recognised in the same period as the expenses.

#### *Interest and dividend income*

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Group's right to receive payment is established.

#### **(o) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### **(p) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### **(q) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 5 Acquisitions of businesses

#### *Seascope Surveys Pte. Ltd. and Seascope Surveys (Thailand) Ltd.*

On 10 July 2012, Mermaid Offshore Services Ltd. (“MOS”), a subsidiary, entered into a share purchase agreement with the shareholders of Seascope Surveys Pte. Ltd. (“SSPL”) (the “SSPL Acquisition”) and Seascope Surveys (Thailand) Ltd. (“SSTL”) (the “SSTL Acquisition”) for the purchase of the shares as follows:

- Purchase of 20 ordinary shares representing 20% of the issued and paid up capital of SSPL. The total purchase value was US Dollar 3.8 million (or equivalent to Baht 121.3 million);
- Purchase of 680,000 ordinary shares representing 20% of the issued and paid up capital of SSTL. The total purchase value was US Dollar 0.4 million (or equivalent to Baht 13.5 million);

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 US Dollar 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 US Dollar 2,500,000.

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

The effect of the additional proportion of investment in subsidiaries is as follows:

	<b>As at</b>	
	<b>10 July 2012</b>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
Consideration transferred	1,806	55,677
Contingent consideration	2,459	77,190
Translation adjustments	-	15,801
Non-controlling interest acquired : net book value	(1,790)	(59,386)
<b>Excess of consideration over the acquired net book value</b>	<b>2,475</b>	<b>89,282</b>

Contingent consideration of US Dollar 2,459 thousand comprises potential payments due in the financial years 2013 and 2014 amounting to US Dollar 1,096.0 thousand or equivalent to Baht 34.4 million in 2013 (2012: Baht 33.8 million) and US Dollar 1,363.0 thousand or equivalent to Baht 42.8 million in 2013 (2012: Baht 42.0 million), respectively. The excess of consideration over the acquired net book value is recognised as an item under other components of equity.

## 6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationship</b>
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
Thoresen Shipping Singapore Pte Ltd.	Singapore	99.9% holding by ultimate parent company
Thoresen Services Center Ltd.	Thailand	99.9% holding by ultimate parent company
Thoresen & Company (Bangkok) Limited	Thailand	99.9% holding by a subsidiary of ultimate parent company
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Service income	Prices normally charged to a third party
Management fee income	Actual cost plus margin
Interest income and interest expenses	Market linked rate/the borrowing costs of the lender
Rental income	Prices normally charged to a third party
Cost of services	Prices normally charged to a third party
Other administrative expenses	Actual cost plus margin
Management benefit expenses	Amount approved by the directors and/or the shareholders

Significant transactions for years that ended on 30 September 2013 and 2012 with related parties were as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
<b>Parent</b>				
Rental income	23	-	701	-
Other administrative expenses	(123)	179	(3,747)	5,579
<b>Jointly-controlled entity</b>				
Service income	49,553	-	1,509,548	-
<b>Other related parties</b>				
Other administrative expenses	327	412	9,961	12,841
<b>Key management personnel compensation</b>				
Short-term employee benefits	883	1,452	26,899	45,248
Post-employment benefits and other long term benefits	1	2	30	60
	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
<b>Parent</b>				
Rental income	23	-	701	-
Other administrative expenses	(123)	179	(3,747)	5,579
<b>Subsidiaries</b>				
Management fee income	1,910	2,258	58,185	70,376
Interest income	4,539	4,079	138,273	127,132
Rental income	225	215	6,854	6,701
Other administrative expenses	41	-	1,249	-
Interest expense	45	-	1,371	-
<b>Other related parties</b>				
Other administrative expenses	(4)	205	(122)	6,389
<b>Key management personnel compensation</b>				
Short-term employee benefits	430	612	13,099	19,069
Post-employment benefits and other long term benefits	1	2	30	60

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

Balances as at 30 September 2013 and 2012 with related parties were as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
<b><i>Trade accounts receivable from related parties</i></b>				
Jointly-controlled entity	32,245	-	1,012,193	-
<b>Total</b>	<b>32,245</b>	<b>-</b>	<b>1,012,193</b>	<b>-</b>
<b><i>Receivables from related parties</i></b>				
Parent	4	-	126	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>126</b>	<b>-</b>
<b><i>Trade accounts payable to related parties</i></b>				
Other related parties	159	21	4,991	647
<b>Total</b>	<b>159</b>	<b>21</b>	<b>4,991</b>	<b>647</b>
<b><i>Payables to related parties</i></b>				
Parent	18	596	565	18,374
Other related parties	28	211	879	6,505
<b>Total</b>	<b>46</b>	<b>807</b>	<b>1,444</b>	<b>24,879</b>
<b>Separate financial statements</b>				
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
<b><i>Receivables from related parties</i></b>				
Parent	4	-	126	-
Subsidiaries	21,184	16,712	664,981	515,211
<b>Total</b>	<b>21,188</b>	<b>16,712</b>	<b>665,107</b>	<b>515,211</b>
<b><i>Short-term loans to related parties</i></b>				
Subsidiaries	146,957	150,484	4,613,083	4,639,241
<b>Total</b>	<b>146,957</b>	<b>150,484</b>	<b>4,613,083</b>	<b>4,639,241</b>
<b><i>Payables to related parties</i></b>				
Parent	18	596	565	18,389
Subsidiaries	35,748	36,480	1,122,155	1,124,635
Other related parties	28	211	879	6,490
<b>Total</b>	<b>35,794</b>	<b>37,287</b>	<b>1,123,599</b>	<b>1,149,514</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

Movements of short-term loans to related parties, excluding interest receivables from related parties, during the years that ended on 30 September 2013 and 2012 were as follows:

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Subsidiaries</b>				
At 1 October	150,484	158,894	4,639,241	4,952,313
Increases	14,731	59,751	462,416	1,842,052
Decreases	(17,812)	(68,399)	(559,131)	(2,108,659)
Realised gains on exchange rates	12	2	377	62
Unrealised gains (losses) on exchange rates	(458)	236	(14,377)	7,276
Translation adjustments	-	-	84,557	(53,803)
<b>At 30 September</b>	<b>146,957</b>	<b>150,484</b>	<b>4,613,083</b>	<b>4,639,241</b>

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

Movements of short-term borrowings from related parties, excluding interest payables from related parties, during the years that ended on 30 September 2013 and 2012 were as follows:

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Subsidiaries</b>				
At 1 October	-	-	-	-
Increases	9,500	-	298,212	-
Decreases	(9,500)	-	(298,212)	-
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7 Cash and cash equivalents

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Cash on hand	108	2,281	3,390	70,321
Cash at bank	148,711	60,033	4,668,143	1,850,745
<b>Total</b>	<b>148,819</b>	<b>62,314</b>	<b>4,671,533</b>	<b>1,921,066</b>

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Cash on hand	2	2	63	62
Cash at bank	110,834	20,193	3,479,157	622,526
<b>Total</b>	<b>110,836</b>	<b>20,195</b>	<b>3,479,220</b>	<b>622,588</b>

## 8 Restricted deposits at financial institutions

The restricted deposit at a financial institution is 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 payments after the two-year grace period expires in September 2013.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**9 Trade accounts receivable**

	Note	Consolidated financial statements			
		2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Other related parties	6	32,245	-	1,012,193	-
Other parties		52,059	47,646	1,634,168	1,468,869
Accrued income		5,557	4,662	174,438	143,724
		<b>89,861</b>	<b>52,308</b>	<b>2,820,799</b>	<b>1,612,593</b>
Less allowance for doubtful accounts	6	-	(2,909)	-	(89,681)
<b>Net</b>		<b>89,861</b>	<b>49,399</b>	<b>2,820,799</b>	<b>1,522,912</b>
Bad and doubtful debts expense for the year		(121)	3,019	(3,686)	94,095

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Within credit terms	69,639	37,195	2,186,017	1,146,677
Overdue:				
Less than 3 months	12,414	14,333	389,684	441,869
Overdue 3 to 6 months	7,751	407	243,309	12,548
Overdue 6 to 12 months	57	263	1,789	8,108
Overdue 12 months	-	110	-	3,391
	<b>89,861</b>	<b>52,308</b>	<b>2,820,799</b>	<b>1,612,593</b>
Less allowance for doubtful accounts	-	(2,909)	-	(89,681)
<b>Net</b>	<b>89,861</b>	<b>49,399</b>	<b>2,820,799</b>	<b>1,522,912</b>

As at 30 September 2013, the Group has trade accounts receivable balance with Zamil Mermaid Offshore Service Co. (LLC) with amounting to US Dollar 32.2 million. Subsequently until 22 November 2013, the Group collect money amounting to US Dollar 10.6 million.

The normal credit term granted by the Group ranges from 30 days to 60 days.

**10 Other accounts receivable**

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Accrued interest income	53	44	1,664	1,356
Other non-trade accounts receivable	14	33	439	1,017
Prepaid expenses	2,246	1,111	70,504	34,251
Advances to employees	376	240	11,803	7,399
Advances for business expenses	1,058	2,602	33,211	80,216
Deferred mobilisation cost	3,739	1,608	117,370	49,573
Insurance claim receivables	1,519	2,051	47,682	63,230
Other receivables	1,623	890	50,947	27,438
Value added tax refundable	2,831	1,614	88,867	49,758
Withholding taxes	705	3	22,130	92
Suspense input taxes	566	351	17,768	10,821
<b>Total</b>	<b>14,730</b>	<b>10,547</b>	<b>462,385</b>	<b>325,151</b>



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	<b>Separate financial statements</b>			
	2013	2012	2013	2012
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Other non-trade accounts receivable	14	33	439	1,017
Prepaid expenses	42	32	1,318	987
Accrued interest income	53	31	1,664	956
Other receivables	19	11	597	339
Value added tax refundable	11	5	345	154
Suspense input taxes	9	23	283	709
<b>Total</b>	<b>148</b>	<b>135</b>	<b>4,646</b>	<b>4,162</b>

### 11 Deferred contract costs

	<b>Consolidated financial statements</b>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
At 1 October 2012	9,000	277,459
Additions	2,012	63,158
Amortisation on deferred contract costs	(2,691)	(81,977)
Translation adjustments	-	2,562
At 30 September 2013	<b>8,321</b>	<b>261,202</b>

On 30 September 2012 US Dollar 9.3 million (equivalent to Baht 286.7 million) was paid by Subtech Ltd., a subsidiary of the Company, to General Technology & Systems Co., Ltd (“Gentas”). The payment consists of the following elements: (a) US Dollar 0.3 million (equivalent to Baht 9.2 million) as consideration for the acquisition of Gentas’s 30% equity interest in Subtech Saudi Arabia, (recorded in other receivables); and (b) US Dollar 9.0 million (equivalent to Baht 277.5 million) (recorded in deferred contract costs) as (i) compensation for loss of expected profits to Gentas, if not for the sale of its 30% equity interest in Subtech Saudi Arabia, pertaining to a recently awarded five-year inspection, repair, and maintenance contract with Saudi Aramco (“IRM Contract”) worth more than US Dollar 530 million of revenues and (ii) as an advance payment for Gentas assistance to secure the IRM Contract.

The US Dollar 9.0 million was related to securing the IRM Contract that was been executed by a jointly-controlled entity, Zamil Mermaid Offshore Services Co. (LLC) (“Zmos”), and was recognised as deferred contract costs. The deferred contract costs would be amortised rateably over the period of execution of the contract, starting from the moment revenue is first recognised, which is approximately five years. The total IRM Contract revenue over five years period is estimated to be approximately US Dollar 530 million. The Group’s estimated revenue is between 60 to 70 percent of the IRM Contract revenue over this period.

The IRM Contract was awarded to Zmos on 25 October 2012. Zmos is a newly established entity that the Group controls jointly with Zamil Offshore Services Co (“Zamil”). Zmos is billing Saudi Aramco at agreed rates in the IRM Contract, and the two partners are billing Zmos for the costs incurred in executing the IRM Contract.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**12 Investments in associates**

Movements during the year that ended on 30 September 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
At 1 October 2012	62,108	1,914,715	63,800	1,966,877
Additional investments	33,782	1,060,441	33,782	1,060,441
Share of profits of investments in associates	4,426	134,831	-	-
Translation adjustments	-	39,002	-	35,849
<b>At 30 September 2013</b>	<b>100,316</b>	<b>3,148,989</b>	<b>97,582</b>	<b>3,063,167</b>

On 12 March 2013 the Company participated in a private placement of Asia Offshore Drilling Limited (“AOD”) by subscribing for 6,756,225 new ordinary shares at US Dollar 5.00 per share for a total investment of US Dollar 33.8 million, or equivalent to Baht 1,060.4 million. After the private placement, which raised US Dollar 100 million in proceeds for AOD, the Company’s ownership in AOD increased to 20,256,425 ordinary shares, equivalent to 33.76 percent of all outstanding ordinary shares.

On 30 April 2013 the Board of Directors of Asia Offshore Drilling Limited (“AOD”), an associate, approved to delist AOD’s shares from the Oslo Stock Exchange. The delisting of AOD’s shares was taken place on 31 May 2013.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

Details of associates are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Profit</b>	<b>% Interest held</b>	<b>Profit sharing</b>
Group of AOD companies <sup>(A)</sup>	Bermuda	724,670	445,572	35,332	13,110	33.76%	4,426
				<i>(in thousand US Dollar)</i>			
<b>Name</b>	<b>Country of incorporation</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Profit</b>	<b>% Interest held</b>	<b>Profit sharing</b>
Group of AOD companies <sup>(A)</sup>	Bermuda	22,747,899	13,986,817	1,076,329	399,374	33.76%	134,831
				<i>(in thousand Baht)</i>			

<sup>(A)</sup> Group of AOD companies comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**13 Investments in subsidiaries**

Details as at 30 September 2013 were as follows:

	<b>Separate financial statements</b>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
Cost	140,321	4,325,928
Less disposal of investments	(48)	(1,507)
Translation adjustments	-	78,847
<b>At 30 September 2013</b>	<b><u>140,273</u></b>	<b><u>4,403,268</u></b>

**14 Investments in jointly-controlled entity**

Movements during the year that ended on 30 September 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
At 1 October 2012	-	-	-	-
Additional investments	213	6,686	213	6,686
Share of losses of investments in jointly-controlled entity	(213)	(6,489)	-	-
Translation adjustments	-	(197)	-	-
<b>At 30 September 2013</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>213</u></b>	<b><u>6,686</u></b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### Zamil Mermaid Offshore Services Co. (LLC)

On 1 October 2012 the Company subscribed for 800 shares, equivalent to 40.0% of total shares in Zamil Mermaid Offshore Services Co. (LLC), a new jointly-controlled entity, for total consideration of Qatari Riyal 0.8 million (Baht 6.6 million). The contractual arrangements between the joint venture partners require, among other matters, consent from both partners equally for actions and decisions of the jointly-controlled entity.

Details of the jointly-controlled entity are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Loss	% Interest held	Loss sharing
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	34,268	35,494	61,643	(1,759)	40%	(213)*
				<i>(in thousand US Dollar)</i>			
Name	Country of incorporation	Assets	Liabilities	Revenues	Loss	% Interest held	Loss sharing
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	1,075,697	1,114,182	1,877,849	(53,585)	40%	(6,489)*
				<i>(in thousand US Baht)</i>			

(\*) As at 30 September 2013 the Company recognised share of losses of jointly-controlled entity equals its interest in the jointly-controlled entity and discontinued recognising share of further losses of the jointly-controlled entity amounting to US Dollar 0.5 million or equivalent to Baht 14.9 million. After the Company's interest is reduced to zero, a liability is recognised only to the extent that the investor or joint venturer has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity. If the Company reports profits, the investor or jointly-controlled entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
Notes to the financial statements

**15 Property, plant and equipment**

	Consolidated financial statements										
	Land	Buildings	Building improve ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process	Total
	<i>(in thousand US Dollar)</i>										
<b>Cost</b>											
At 1 October 2011	838	4,511	874	72,904	2,408	853	342,156	15,564	71	726	440,905
Additions	-	-	-	1,599	166	77	-	4,287	-	8,992	15,121
Transfers	-	-	-	1,023	-	-	-	-	-	(1,023)	-
Disposals	-	-	-	(322)	-	(24)	-	-	-	-	(346)
Write off	-	-	-	(375)	(181)	-	-	-	-	-	(556)
Translation adjustments	-	-	-	24	1	-	-	-	-	-	25
<b>At 30 September 2012 and 1 October 2012</b>	<b>838</b>	<b>4,511</b>	<b>874</b>	<b>74,853</b>	<b>2,394</b>	<b>906</b>	<b>342,156</b>	<b>19,851</b>	<b>71</b>	<b>8,695</b>	<b>455,149</b>
Additions	-	-	211	4,399	330	196	-	21,066	808	15,320	42,330
Transfers	-	-	-	18,604	21	49	-	(67)	-	(18,607)	-
Disposals	-	-	-	(9,300)	(42)	(69)	(6,068)	(860)	-	-	(16,339)
Write off	-	-	(103)	(467)	(20)	-	-	-	-	-	(590)
Translation adjustments	-	-	-	(33)	-	-	-	-	-	-	(33)
<b>At 30 September 2013</b>	<b>838</b>	<b>4,511</b>	<b>982</b>	<b>88,056</b>	<b>2,683</b>	<b>1,082</b>	<b>336,088</b>	<b>39,990</b>	<b>879</b>	<b>5,408</b>	<b>480,517</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements										
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process	Total
<i>(in thousand US Dollar)</i>											
<b>Depreciation and impairment losses</b>											
At 1 October 2011	-	(1,693)	(646)	(24,248)	(1,765)	(487)	(65,355)	(10,971)	(32)	-	(105,197)
Depreciation charge for the year	-	(279)	(55)	(7,588)	(276)	(131)	(13,985)	(3,604)	(14)	-	(25,932)
Disposals	-	-	-	149	-	23	-	-	-	-	172
Write off	-	-	-	268	177	-	-	-	-	-	445
Translation adjustments	-	-	-	(17)	(1)	-	-	-	-	-	(18)
<b>At 30 September 2012 and 1 October 2012</b>	-	<b>(1,972)</b>	<b>(701)</b>	<b>(31,436)</b>	<b>(1,865)</b>	<b>(595)</b>	<b>(79,340)</b>	<b>(14,575)</b>	<b>(46)</b>	-	<b>(130,530)</b>
Depreciation charge for the year	-	(278)	(62)	(8,125)	(301)	(139)	(13,767)	(4,504)	(128)	-	(27,304)
Transfers	-	-	-	211	-	-	(211)	-	-	-	-
Disposals	-	-	-	2,939	42	63	3,781	517	-	-	7,342
Write off	-	-	103	426	18	-	-	-	-	-	547
Translation adjustments	-	-	-	(146)	-	-	-	-	-	-	(146)
<b>At 30 September 2013</b>	-	<b>(2,250)</b>	<b>(660)</b>	<b>(36,131)</b>	<b>(2,106)</b>	<b>(671)</b>	<b>(89,537)</b>	<b>(18,562)</b>	<b>(174)</b>	-	<b>(150,091)</b>
<b>Allowance for impairment</b>											
At 1 October 2011	-	-	-	(1,027)	-	-	(3,378)	(53)	-	-	(4,458)
Allowance for impairment At 30 September 2012	-	-	-	(1,027)	-	-	(3,378)	(53)	-	-	(4,458)
Reversal of impairment loss	-	-	-	402	-	-	1,485	-	-	-	1,887
<b>Allowance for impairment At 30 September 2013</b>	-	-	-	<b>(625)</b>	-	-	<b>(1,893)</b>	<b>(53)</b>	-	-	<b>(2,571)</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**Consolidated financial statements**

	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process	Total
<i>Net book value</i>											
At 1 October 2011	838	2,818	228	47,629	643	366	273,423	4,540	39	726	331,250
At 30 September 2012 and 1 October 2012	838	2,539	173	42,390	529	311	259,438	5,223	25	8,695	320,161
At 30 September 2013	838	2,261	322	51,300	577	411	244,658	21,375	705	5,408	327,855



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Consolidated financial statements

Cost	Offshore support										Total
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles <i>(in thousand Baht)</i>	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process	
At 1 October 2011	26,118	140,596	27,240	2,272,228	75,051	26,586	10,664,113	485,089	2,213	22,627	13,741,861
Additions	-	-	-	49,295	5,118	2,374	-	132,163	-	277,213	466,163
Transfers	-	-	-	31,538	-	-	-	-	-	(31,538)	-
Disposals	-	-	-	(9,927)	-	(740)	-	-	-	-	(10,667)
Write off	-	-	-	(11,561)	(5,580)	-	-	-	-	-	(17,141)
Translation adjustments	(283)	(1,527)	(296)	(23,945)	(785)	(289)	(115,854)	(5,269)	(24)	(246)	(148,518)
<b>At 30 September 2012</b>	<b>25,835</b>	<b>139,069</b>	<b>26,944</b>	<b>2,307,628</b>	<b>73,804</b>	<b>27,931</b>	<b>10,548,259</b>	<b>611,983</b>	<b>2,189</b>	<b>268,056</b>	<b>14,031,698</b>
Additions	-	-	6,623	138,088	10,359	6,153	-	661,276	25,364	480,906	1,328,769
Transfers	-	-	-	583,993	659	1,538	-	(2,103)	-	(584,087)	-
Disposals	-	-	-	(291,934)	(1,318)	(2,166)	(190,479)	(26,996)	-	-	(512,893)
Write off	-	-	(3,233)	(14,659)	(628)	-	-	-	-	-	(18,520)
Translation adjustments	470	2,534	492	41,023	1,345	509	192,258	11,154	39	4,886	254,710
<b>At 30 September 2013</b>	<b>26,305</b>	<b>141,603</b>	<b>30,826</b>	<b>2,764,139</b>	<b>84,221</b>	<b>33,965</b>	<b>10,550,038</b>	<b>1,255,314</b>	<b>27,592</b>	<b>169,761</b>	<b>15,083,764</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

	Consolidated financial statements										Total	
	Land	Buildings	Building improve ment	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process		
<b>Depreciation and impairment losses</b>												
At 1 October 2011	-	(52,766)	(20,134)	(755,747)	(55,010)	(15,179)	(2,036,945)	(341,938)	(997)	-	(3,278,716)	
Depreciation charge for the year	-	(8,696)	(1,714)	(236,499)	(8,602)	(4,083)	(435,877)	(112,328)	(436)	-	(808,235)	
Disposals	-	-	-	4,593	-	709	-	-	-	-	5,302	
Write off	-	-	-	8,262	5,457	-	-	-	-	-	13,719	
Translation adjustments	-	668	236	10,257	659	210	26,865	4,936	15	-	43,846	
<b>At 30 September 2012 and 1 October 2012</b>	-	<b>(60,794)</b>	<b>(21,612)</b>	<b>(969,134)</b>	<b>(57,496)</b>	<b>(18,343)</b>	<b>(2,445,957)</b>	<b>(449,330)</b>	<b>(1,418)</b>	-	<b>(4,024,084)</b>	
Depreciation charge for the year	-	(8,469)	(1,889)	(247,514)	(9,169)	(4,234)	(419,388)	(137,207)	(3,899)	-	(831,769)	
Transfers	-	-	-	6,623	-	-	(6,623)	-	-	-	-	
Disposals	-	-	-	92,257	1,318	1,978	118,688	16,229	-	-	230,470	
Write off	-	-	3,233	13,372	565	-	-	-	-	-	17,170	
Translation adjustments	-	(1,366)	(448)	(29,782)	(1,327)	(464)	(57,349)	(12,366)	(145)	-	(103,247)	
<b>At 30 September 2013</b>	-	<b>(70,629)</b>	<b>(20,716)</b>	<b>(1,134,178)</b>	<b>(66,109)</b>	<b>(21,063)</b>	<b>(2,810,629)</b>	<b>(582,674)</b>	<b>(5,462)</b>	-	<b>(4,711,460)</b>	
<b>Allowance for impairment</b>												
At 1 October 2011	-	-	-	(32,009)	-	-	(105,283)	(1,652)	-	-	(138,944)	
<b>Allowance for impairment</b>												
At 30 September 2012	-	-	-	(31,661)	-	-	(104,140)	(1,634)	-	-	(137,435)	
Reversal of impairment loss	-	-	-	12,619	-	-	46,615	-	-	-	59,234	
Translation adjustments	-	-	-	(577)	-	-	(1,898)	(30)	-	-	(2,505)	
<b>Allowance for impairment</b>												
At 30 September 2013	-	-	-	(19,619)	-	-	(59,423)	(1,664)	-	-	(80,706)	

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### Consolidated financial statements

	Land	Buildings	Building improve ment	Tools and equipment	Office equipment	Motor vehicles ( <i>in thousand Baht</i> )	Offshore support vessels, and tender rigs	Dry- docking	Motor launches	Construction in process	Total
<i>Net book value</i>											
At 1 October 2011	26,118	87,830	7,106	1,484,472	20,041	11,407	8,521,885	141,499	1,216	22,627	10,324,201
At 30 September 2012 and 1 October 2012	25,835	78,275	5,332	1,306,833	16,308	9,588	7,998,162	161,019	771	268,056	9,870,179
At 30 September 2012	26,305	70,974	10,110	1,610,342	18,112	12,902	7,679,986	670,976	22,130	169,761	10,291,598

#### Security

As at 30 September 2013 the Group's property, plant and equipment with a net book value of US Dollar 189.9 million (2012: US Dollar 196.8 million) were registered to secure short-term and long-term facilities with financial institutions.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Separate financial statements

	Land	Buildings	Building improvement	Tools and equipment (in thousand US Dollar)	Office equipment	Motor vehicles	Construction in process	Total
<b>Cost</b>								
At 1 October 2011	838	4,511	600	17	1,517	129	1	7,613
Additions	-	-	-	-	46	-	21	67
<b>At 30 September 2012 and 1 October 2012</b>	<b>838</b>	<b>4,511</b>	<b>600</b>	<b>17</b>	<b>1,563</b>	<b>129</b>	<b>22</b>	<b>7,680</b>
Additions	-	-	-	21	166	-	53	240
Transfers	-	-	-	20	-	-	(20)	-
<b>At 30 September 2013</b>	<b>838</b>	<b>4,511</b>	<b>600</b>	<b>58</b>	<b>1,729</b>	<b>129</b>	<b>55</b>	<b>7,920</b>
<b>Depreciation</b>								
At 1 October 2011	-	(1,693)	(474)	(11)	(1,129)	(95)	-	(3,402)
Depreciation charge for the year	-	(278)	(16)	(2)	(131)	(11)	-	(438)
<b>At 30 September 2012 and 1 October 2012</b>	<b>-</b>	<b>(1,971)</b>	<b>(490)</b>	<b>(13)</b>	<b>(1,260)</b>	<b>(106)</b>	<b>-</b>	<b>(3,840)</b>
Depreciation charge for the year	-	(278)	(15)	(6)	(151)	(11)	-	(461)
<b>At 30 September 2013</b>	<b>-</b>	<b>(2,249)</b>	<b>(505)</b>	<b>(19)</b>	<b>(1,411)</b>	<b>(117)</b>	<b>-</b>	<b>(4,301)</b>
<b>Net book value</b>								
At 1 October 2011	838	2,818	126	6	388	34	1	4,211
At 30 September 2012 and 1 October 2012	838	2,540	110	4	303	23	22	3,840
At 30 September 2013	838	2,262	95	39	318	12	55	3,619

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### Separate financial statements

	Land	Buildings	Building improvement	Tools and equipment <i>(in thousand Baht)</i>	Office equipment	Motor vehicles	Construction in process	Total
<b>Cost</b>								
At 1 October 2011	26,118	140,596	18,700	530	47,281	4,021	31	237,277
Additions	-	-	-	-	1,418	-	647	2,065
Translation adjustments	(283)	(1,527)	(202)	(6)	(514)	(44)	-	(2,576)
<b>At 30 September 2012 and 1 October 2012</b>	<b>25,835</b>	<b>139,069</b>	<b>18,498</b>	<b>524</b>	<b>48,185</b>	<b>3,977</b>	<b>678</b>	<b>236,766</b>
Additions	-	-	-	659	5,211	-	1,664	7,534
Transfers	-	-	-	628	-	-	(628)	-
Translation adjustments	470	2,534	337	10	879	72	12	4,314
<b>At 30 September 2013</b>	<b>26,305</b>	<b>141,603</b>	<b>18,835</b>	<b>1,821</b>	<b>54,275</b>	<b>4,049</b>	<b>1,726</b>	<b>248,614</b>
<b>Depreciation and impairment losses</b>								
At 1 October 2011	-	(52,766)	(14,773)	(343)	(35,188)	(2,961)	-	(106,031)
Depreciation charge for the year	-	(8,665)	(499)	(62)	(4,083)	(343)	-	(13,652)
Translation adjustments	-	667	166	4	427	36	-	1,300
<b>At 30 September 2012 and 1 October 2012</b>	<b>-</b>	<b>(60,764)</b>	<b>(15,106)</b>	<b>(401)</b>	<b>(38,844)</b>	<b>(3,268)</b>	<b>-</b>	<b>(118,383)</b>
Depreciation charge for the year	-	(8,469)	(457)	(183)	(4,600)	(335)	-	(14,044)
Translation adjustments	-	(1,365)	(289)	(12)	(848)	(70)	-	(2,584)
<b>At 30 September 2013</b>	<b>-</b>	<b>(70,598)</b>	<b>(15,852)</b>	<b>(596)</b>	<b>(44,292)</b>	<b>(3,673)</b>	<b>-</b>	<b>(135,011)</b>
<b>Net book value</b>								
At 1 October 2011	26,118	87,830	3,927	187	12,093	1,060	31	131,246
At 30 September 2012 and 1 October 2012	25,835	78,305	3,392	123	9,341	709	678	118,383
At 30 September 2013	26,305	71,005	2,983	1,225	9,983	376	1,726	113,603

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**16 Intangible assets**

	<b>Consolidated financial statements</b>	
	<i>Computer software</i>	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
<b>Cost</b>		
At 1 October 2011	2,146	66,885
Additions	201	6,197
Disposals	(37)	(1,141)
Translation adjustments	7	(511)
<b>At 30 September 2012 and 1 October 2012</b>	<b>2,317</b>	<b>71,430</b>
Additions	226	7,094
Disposals	(539)	(16,920)
Write off	(334)	(10,484)
Translation adjustments	(12)	925
<b>At 30 September 2013</b>	<b>1,658</b>	<b>52,045</b>
<b>Amortisation</b>		
At 1 October 2011	(1,638)	(51,052)
Amortisation for the year	(277)	(8,634)
Translation adjustments	(5)	495
<b>At 30 September 2012 and 1 October 2012</b>	<b>(1,920)</b>	<b>(59,191)</b>
Amortisation for the year	(318)	(9,687)
Disposals	539	16,920
Write off	334	10,484
Translation adjustments	12	(997)
<b>At 30 September 2013</b>	<b>(1,353)</b>	<b>(42,471)</b>
<b>Net book value</b>		
<b>At 1 October 2011</b>	<b>508</b>	<b>15,833</b>
<b>At 30 September 2012 and 1 October 2012</b>	<b>397</b>	<b>12,239</b>
<b>At 30 September 2013</b>	<b>305</b>	<b>9,574</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	<b>Separate financial statements</b>	
	Computer software <i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
<b>Cost</b>		
At 1 October 2011	843	26,274
Additions	18	555
Translation adjustments	-	(286)
<b>At 30 September 2012 and 1 October 2012</b>	<b>861</b>	<b>26,543</b>
Additions	17	534
Disposals	(539)	(16,920)
Translation adjustments	-	484
<b>At 30 September 2013</b>	<b>339</b>	<b>10,641</b>
<b>Amortisation</b>		
At 1 October 2011	(803)	(25,027)
Amortisation for the year	(19)	(592)
Translation adjustments	-	278
<b>At 30 September 2012 and 1 October 2012</b>	<b>(822)</b>	<b>(25,341)</b>
Amortisation for the year	(22)	(670)
Disposals	539	16,920
Translation adjustments	-	(483)
<b>At 30 September 2013</b>	<b>(305)</b>	<b>(9,574)</b>
<b>Net book value</b>		
At 1 October 2011	<b>40</b>	<b>1,247</b>
At 30 September 2012 and 1 October 2012	<b>39</b>	<b>1,202</b>
At 30 September 2013	<b>34</b>	<b>1,067</b>

## 17 Deferred tax

Deferred tax assets and liabilities as at 30 September were as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Deferred tax assets	2,118	4,377	66,484	134,937
Deferred tax liabilities	(2,087)	(1,599)	(65,511)	(49,295)
<b>Net</b>	<b>31</b>	<b>2,778</b>	<b>973</b>	<b>85,642</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

Movements in total deferred tax assets and liabilities during the year were as follows:

<b>Consolidated financial statements</b>			
	<b>At 1 October 2012</b>	<b>Profit or loss (in thousand US Dollar)</b>	<b>At 30 September 2013</b>
<i>Deferred tax assets</i>			
Property, plant and equipment	98	3	101
Retirement benefits obligation	185	19	204
Loss carry forward	4,094	(2,281)	1,813
<b>Total</b>	<b>4,377</b>	<b>(2,259)</b>	<b>2,118</b>
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(1,599)	(488)	(2,087)
<b>Total</b>	<b>(1,599)</b>	<b>(488)</b>	<b>(2,087)</b>
<b>Net</b>	<b>2,778</b>	<b>(2,747)</b>	<b>31</b>

<b>Consolidated financial statements</b>				
	<b>At 1 October 2012</b>	<b>Profit or loss (in thousand Baht)</b>	<b>Translation adjustments</b>	<b>At 30 September 2013</b>
<i>Deferred tax assets</i>				
Property, plant and equipment	3,022	91	57	3,170
Retirement benefits obligation	5,703	579	122	6,404
Loss carry forward	126,212	(69,487)	185	56,910
<b>Total</b>	<b>134,937</b>	<b>(68,817)</b>	<b>364</b>	<b>66,484</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(49,295)	(14,866)	(1,350)	(65,511)
<b>Total</b>	<b>(49,295)</b>	<b>(14,866)</b>	<b>(1,350)</b>	<b>(65,511)</b>
<b>Net</b>	<b>85,642</b>	<b>(83,683)</b>	<b>(986)</b>	<b>973</b>

<b>Consolidated financial statements</b>			
	<b>At 1 October 2011</b>	<b>Profit or loss (in thousand US Dollar)</b>	<b>At 30 September 2012</b>
<i>Deferred tax assets</i>			
Property, plant and equipment	311	(213)	98
Provisions	348	(348)	-
Retirement benefits obligation	673	(488)	185
Loss carry forward	3,334	760	4,094
<b>Total</b>	<b>4,666</b>	<b>(289)</b>	<b>4,377</b>
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(1,366)	(233)	(1,599)
<b>Total</b>	<b>(1,366)</b>	<b>(233)</b>	<b>(1,599)</b>
<b>Net</b>	<b>3,300</b>	<b>(522)</b>	<b>2,778</b>



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	At 1 October 2011	Consolidated financial statements		At 30 September 2012
		Profit or loss (in thousand Baht)	Translation adjustments	
<b>Deferred tax assets</b>				
Property, plant and equipment	9,693	(6,639)	(32)	3,022
Provisions	10,846	(10,846)	-	-
Retirement benefits obligation	20,976	(15,210)	(63)	5,703
Loss carry forward	103,912	23,687	(1,387)	126,212
<b>Total</b>	<b>145,427</b>	<b>(9,008)</b>	<b>(1,482)</b>	<b>134,937</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(42,575)	(7,262)	542	(49,295)
<b>Total</b>	<b>(42,575)</b>	<b>(7,262)</b>	<b>542</b>	<b>(49,295)</b>
<b>Net</b>	<b>102,852</b>	<b>(16,270)</b>	<b>(940)</b>	<b>85,642</b>

Deferred tax assets arising from temporary differences that have not been recognised in the financial statements as at 30 September 2013 and 2012 were as follows:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Loss carry forward	8,753	5,559	274,769	171,377

As at 30 September 2013 the Group had temporary differences arising from the unutilised tax losses carry forward which have not been recognised as deferred tax because it will not be able to utilise the tax benefit in the foreseeable future.

### 18 Interest-bearing liabilities

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Current</b>				
Current portion of long-term borrowings from financial institutions				
Secured	12,613	3,646	395,931	112,402
Unsecured	6,624	3,000	207,932	92,486
<b>Current portion of long-term borrowings</b>	<b>19,237</b>	<b>6,646</b>	<b>603,863</b>	<b>204,888</b>
<b>Current portion of finance lease liabilities</b>	<b>17</b>	<b>49</b>	<b>534</b>	<b>1,511</b>
<b>Total current interest-bearing liabilities</b>	<b>19,254</b>	<b>6,695</b>	<b>604,397</b>	<b>206,399</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Non-current</b>				
Long-term borrowings from financial institutions				
Secured	107,252	110,884	3,366,715	3,418,421
Unsecured	10,125	13,125	317,831	404,628
<b>Long-term borrowings</b>	<b>117,377</b>	<b>124,009</b>	<b>3,684,546</b>	<b>3,823,049</b>
<b>Finance lease liabilities</b>	<b>62</b>	<b>28</b>	<b>1,946</b>	<b>863</b>
<b>Total non-current interest-bearing liabilities</b>	<b>117,439</b>	<b>124,037</b>	<b>3,686,492</b>	<b>3,823,912</b>
<b>Separate financial statements</b>				
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Current</b>				
<b>Current portion of finance lease liabilities</b>	<b>6</b>	<b>38</b>	<b>188</b>	<b>1,171</b>
<b>Non-current</b>				
<b>Finance lease liabilities</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>185</b>

As at 30 September 2013 and 2012, maturity of long-term borrowings from financial institutions were as follows:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Less than 1 year	19,237	6,646	603,863	204,888
1 - 5 years	46,680	40,296	1,465,318	1,242,277
Over 5 years	70,697	83,713	2,219,228	2,580,772
	<b>136,614</b>	<b>130,655</b>	<b>4,288,409</b>	<b>4,027,937</b>

The movement of long-term borrowings from financial institutions were summarised as follows:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
At 1 October	130,655	125,754	4,027,937	3,919,425
Additions during year	13,833	45,000	434,228	1,387,296
Repayments during year	(7,991)	(40,209)	(250,843)	(1,239,595)
Amortisation to profit and loss (front end fee)	117	110	3,564	3,429
Translation adjustments	-	-	73,523	(42,618)
<b>At 30 September</b>	<b>136,614</b>	<b>130,655</b>	<b>4,288,409</b>	<b>4,027,937</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

The carrying amounts of long-term borrowings from financial institutions as at 30 September were denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Currencies:				
Thousand US Dollar	133,861	131,617	-	-
Thousand Qatari Dollar	17,641	-	-	-

Long-term loans from financial institutions comprise:

Loans for the purchase of support vessels were granted by commercial banks and were denominated in US Dollar, having a total outstanding balance of US Dollar 122.12 million as at 30 September 2013 (2012: US Dollar 126.13 million) with repayment terms within 8 to 10 years. These loans bore interest at the rate of USD-LIBOR plus a certain margin, were secured by mortgages of support vessels as mentioned in note 15 and were guaranteed by the Company.

Loan for the purchase of a tender rig was granted by a local commercial bank and was denominated in US Dollar with a total outstanding balance of US Dollar 2.74 million as at 30 September 2013 (2012: US Dollar 5.49 million) with repayment terms within 9 years. This loan bore interest at the rate of USD-LIBOR plus a certain margin, was secured by mortgage of a tender rig as mentioned in note 15, and guaranteed by the Company and a subsidiary.

Loan for the SPS of a tender rig was granted by a local commercial bank and was denominated in US Dollar with a total outstanding balance of US Dollar 9.00 million as at 30 September 2013 with repayment terms within 2 years. This loan bore interest at the rate of USD-LIBOR plus a certain margin, was secured by mortgage of a tender rig as mentioned in note 15, and guaranteed by the Company and a subsidiary.

Loan for the working capital was granted by a local commercial bank in Qatar and was denominated in Qatari Dollar with a total outstanding balance of Qatari Dollar 17.64 million as at 30 September 2013 with repayment terms within June 2014. This loan bore interest at the certain margin, and was guaranteed by a subsidiary.

According to a condition of the loan agreements for all asset acquisitions, the Company and its subsidiaries were not allowed to create any encumbrance on the assets which were 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.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Finance lease liabilities

Finance lease liabilities as at 30 September were payable as follows:

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand US Dollar)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	17	-	17	49	-	49
1 – 5 years	73	(11)	62	35	(7)	28
<b>Total</b>	<b>90</b>	<b>(11)</b>	<b>79</b>	<b>84</b>	<b>(7)</b>	<b>77</b>

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	534	-	534	1,511	-	1,511
1 – 5 years	2,292	(346)	1,946	1,079	(216)	863
<b>Total</b>	<b>2,826</b>	<b>(346)</b>	<b>2,480</b>	<b>2,590</b>	<b>(216)</b>	<b>2,374</b>

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand US Dollar)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	6	-	6	38	-	38
1 – 5 years	-	-	-	6	-	6
<b>Total</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>44</b>	<b>-</b>	<b>44</b>

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	188	-	188	1,171	-	1,171
1 – 5 years	-	-	-	185	-	185
<b>Total</b>	<b>188</b>	<b>-</b>	<b>188</b>	<b>1,356</b>	<b>-</b>	<b>1,356</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

*Borrowing facilities*

The Group and the Company have the following undrawn committed long-term borrowing facilities:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
<b>Fixed interest rate</b>				
- expiring within one year				
Thousand Qatari Dollar	709	-	-	-

**19 Trade accounts payable**

	<i>Note</i>	<b>Consolidated financial statements</b>			
		2013 <i>(in thousand US Dollar)</i>	2012 <i>(in thousand US Dollar)</i>	2013 <i>(in thousand Baht)</i>	2012 <i>(in thousand Baht)</i>
Related parties	6	159	21	4,991	647
Other parties		16,455	10,572	516,534	325,922
<b>Total</b>		<b>16,614</b>	<b>10,593</b>	<b>521,525</b>	<b>326,569</b>

**20 Employee benefit obligations**

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012 <i>(in thousand US Dollar)</i>	2013 <i>(in thousand Baht)</i>	2012 <i>(in thousand Baht)</i>
<b>Statement of financial position obligations for:</b>				
Post-employment benefits				
Retirement benefit	1,711	988	53,709	30,459
<b>Total</b>	<b>1,711</b>	<b>988</b>	<b>53,709</b>	<b>30,459</b>

**Statement of income:**

Recognised in profit or loss:

Post-employment benefits				
Retirement benefit	824	590	25,102	18,389
Other long-term employee benefits				
Retention incentives	-	(480)	-	(14,960)
<b>Total</b>	<b>824</b>	<b>110</b>	<b>25,102</b>	<b>3,429</b>

**Separate financial statements**

	2013 <i>(in thousand US Dollar)</i>	2012 <i>(in thousand US Dollar)</i>	2013 <i>(in thousand Baht)</i>	2012 <i>(in thousand Baht)</i>
	<b>Statement of financial position obligations for:</b>			
Post-employment benefits				
Retirement benefit	176	138	5,525	4,254
<b>Total</b>	<b>176</b>	<b>138</b>	<b>5,525</b>	<b>4,254</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
<b>Statement of income:</b>				
Recognised in profit or loss:				
Post-employment benefits				
Retirement benefit	41	43	1,249	1,340
<b>Total</b>	<b>41</b>	<b>43</b>	<b>1,249</b>	<b>1,340</b>

### Thailand legal severance plan

The subsidiaries registered in Thailand provide employee benefit provisions based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

#### (a) Retirement benefit

Movement in the present value of the defined benefit obligations

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Defined benefit obligations at 1 October	988	773	30,459	24,092
Current service costs and interest	824	590	25,102	18,389
Benefits paid by the plan	-	(349)	-	(10,877)
Realised gains on exchange rate	(101)	(26)	(3,077)	(810)
Translation adjustments	-	-	1,225	(335)
<b>Defined benefit obligations at 30 September</b>	<b>1,711</b>	<b>988</b>	<b>53,709</b>	<b>30,459</b>

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Defined benefit obligations at 1 October	138	93	4,254	2,899
Current service costs and interest	41	48	1,249	1,496
Actuarial gains recognised in profit or loss	-	(5)	-	(156)
Realised (gains) losses on exchange rate	(3)	2	(91)	62
Translation adjustments	-	-	113	(47)
<b>Defined benefit obligations at 30 September</b>	<b>176</b>	<b>138</b>	<b>5,525</b>	<b>4,254</b>

Expense recognised in profit or loss:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Current service costs	805	576	24,523	17,953
Interest on obligation	19	14	579	436
<b>Total</b>	<b>824</b>	<b>590</b>	<b>25,102</b>	<b>18,389</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Current service costs	36	45	1,097	1,403
Interest on obligation	5	3	152	93
Actuarial gains	-	(5)	-	(156)
<b>Total</b>	<b>41</b>	<b>43</b>	<b>1,249</b>	<b>1,340</b>

The expense is recognised in profit or loss:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Administrative expenses	824	590	25,102	18,389
<b>Total</b>	<b>824</b>	<b>590</b>	<b>25,102</b>	<b>18,389</b>

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Administrative expenses	41	43	1,249	1,340
<b>Total</b>	<b>41</b>	<b>43</b>	<b>1,249</b>	<b>1,340</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
				%
Discount rate	3.90	3.90	3.90	3.90
Future salary increases	6.00	6.00	6.00	6.00
Mortality rate	0.08 - 1.03	0.08 - 1.03	0.08 - 1.03	0.08 - 1.03
Resignation rate	0.00 - 20.00	0.00 - 20.00	0.00 - 20.00	0.00 - 20.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

### (b) Retention incentives

The movement in the retention incentive obligations during the year is as follows:

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Beginning of the year	-	1,951	-	60,808
Current (reversal of) service costs	-	(480)	-	(14,960)
Paid during the year	-	(1,471)	-	(45,847)
Realised gains on exchange rate	-	(2)	-	(62)
Translation adjustments	-	2	-	61
<b>Ending of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

Expense recognised in profit or loss:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
<b>Current service cost</b>	<u>-</u>	<u>(480)</u>	<u>-</u>	<u>(14,960)</u>

These amounts are included in cost of services.

**21 Share capital**

On 20 March 2013 the Company's Board of Directors proposed a non-renounceable non-underwritten rights issue of new ordinary shares (the rights shares) and a private placement to raise gross proceeds of approximately SGD 176.1 million by issuing up to 628,799,634 new rights shares at a price of SGD 0.28 per share to all shareholders.

The number of new rights shares offered, 628,799,634 new right shares, was based on the assumption that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 which are exercisable are exercised prior to the Rights Issue Books Closure Date. The final number of new rights share would be changed.

If shareholders do not fully subscribe for their rights shares, the Company may then do a private placement for the remaining shares.

At the extraordinary meeting of shareholders of the Company held on 4 July 2013, the shareholders approved for reduction and increase in the authorised share capital. The movement of authorised share capital can be summarised as follow:-

- (a) reduce the authorised share capital from Baht 791,213,843 to Baht 787,055,943 by means of the cancellation of 4,157,900 ordinary shares with Baht 1 par value.
- (b) increase the authorised share capital from Baht 787,055,943 to Baht 1,416,700,697 by means of the issuance of 629,644,754 new ordinary shares with Baht 1 par value.
- (c) the allocation of 569,692,359 ordinary shares from the increase in authorised share capital successful on 20 September 2013 for offering to registered shareholders under the rights issue proposed by the Company's Board of Directors on 20 March 2013.
- (d) the allocation of up to 1,846,560 ordinary shares from the increase in authorised share capital for adjustments to the employee share options.
- (e) the allocation of 58,105,821 ordinary shares from the increase in authorised share capital successful on 3 October 2013 for the remaining unsubscribed Excess Rights Shares.

The Company registered the change in its authorised to 1,416.7 million ordinary shares at Baht 1 par value, or a total of Baht 1,416.7 million and its issued and paid - up capital 1,354.4 million ordinary shares at Baht 1 par value or totalling of Baht 1,354.4 million with the Ministry of Commerce on 24 September 2013.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

The detail of the change in the authorised and issued and paid up ordinary shares are as follow:

	Par value per share (in Baht)	2013 (in thousand Baht/thousand number)	2012
<i>Authorised</i>			
At 1 January			
- ordinary shares	1	791,214	791,214
Reduction of shares	1	(4,158)	-
Increase of new shares	1	629,645	-
At 30 September			
- ordinary shares	1	<u>1,416,701</u>	<u>791,214</u>
<i>Issued and paid</i>			
At 1 January			
- ordinary shares	1	784,748	784,748
Increase of new shares	1	569,692	-
At 30 September			
- ordinary shares	1	<u>1,354,440</u>	<u>784,748</u>

***Premium on share capital***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

	2013 (in thousand Baht)	2012
At 1 October	9,818,420	9,818,420
Increase of new shares	3,401,300	-
At 30 September	<u>13,219,720</u>	<u>9,818,420</u>

**22 Reserves**

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

***Other components of equity***

**Currency translation differences**

The currency transaction differences account within equity related to foreign currency differences arising from the translation of the financial statements of foreign operations to US Dollar.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 23 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1	MOS group
Segment 2	Subtech group
Segment 3	Seascape group
Segment 4	Drilling group
Segment 5	Holding

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

Revenue and results, based on business segments, in the consolidated financial statements for the year that ended on 30 September 2013 and 2012 were as follows:

	Consolidated financial statements for the year that ended on 30 September 2013							
	MOS group	Subtech group	Seascope group	Drilling group <i>(in thousand US Dollar)</i>	Holding	Total	Elimination	Group
Total service income	121,249	117,934	38,230	23,563	-	300,976	(31,375)	269,601
Operating profits (losses)	15,247	11,611	3,961	(2,357)	1,411	29,873	(6,561)	23,312
Share of profits from associates	-	-	-	-	4,426	4,426	-	4,426
Share of losses from jointly- controlled entity	-	(213)	-	-	-	(213)	-	(213)
Finance costs	(3,702)	(2,300)	(71)	(336)	(780)	(7,189)	2,219	(4,970)
Income tax expenses	(26)	(2,323)	(1,144)	(3,570)	(63)	(7,126)	-	(7,126)
Profits (losses) for the year	<b>11,519</b>	<b>6,775</b>	<b>2,746</b>	<b>(6,263)</b>	<b>4,994</b>	<b>19,771</b>	<b>(4,342)</b>	<b>15,429</b>
	Consolidated financial statements as at 30 September 2013							
	MOS group	Subtech group	Seascope group	Drilling group <i>(in thousand US Dollar)</i>	Holding	Total	Elimination	Group
Property, plant and equipment	251,655	24,350	6,610	47,379	3,619	333,613	(5,758)	327,855
<b>Total assets</b>	<b>368,837</b>	<b>98,144</b>	<b>26,723</b>	<b>133,717</b>	<b>554,802</b>	<b>1,182,223</b>	<b>(471,909)</b>	<b>710,314</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	Consolidated financial statements for the year that ended on 30 September 2012							
	MOS group	Subtech group	Seascope group	Drilling group	Holding group	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>							
Total service income	100,818	43,158	31,229	35,045	-	210,250	(26,688)	183,562
Operating profits (losses)	4,895	3,673	1,781	9,267	1,622	21,238	(4,122)	17,116
Share of losses from associates	-	-	-	-	(310)	(310)	-	(310)
Finance costs	(9,111)	(11)	(80)	(232)	-	(9,434)	419	(9,015)
Income tax benefits (expenses)	1,246	(95)	(809)	(4,025)	(95)	(3,778)	-	(3,778)
Profits (losses) for the year	<b>(2,970)</b>	<b>3,567</b>	<b>892</b>	<b>5,010</b>	<b>1,217</b>	<b>7,716</b>	<b>(3,703)</b>	<b>4,013</b>
	Consolidated financial statements as at 30 September 2012							
	MOS group	Subtech group	Seascope group	Drilling group	Holding group	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>							
Property, plant and equipment	268,334	10,489	3,206	38,731	3,860	324,620	(4,459)	320,161
<b>Total assets</b>	<b>362,290</b>	<b>47,452</b>	<b>20,186</b>	<b>152,172</b>	<b>414,735</b>	<b>996,835</b>	<b>(460,679)</b>	<b>536,156</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

	Consolidated financial statements for the year that ended on 30 September 2013							
	MOS group	Subtech group	Seascope group	Drilling group	Holding group <i>(in thousand Baht)</i>	Total	Elimination	Group
Total service income	3,693,645	3,592,659	1,164,612	717,806	-	9,168,722	(955,786)	8,212,936
Operating profits (losses)	464,474	353,709	120,665	(71,802)	42,984	910,030	(199,870)	710,160
Share of profits from associates	-	-	-	-	134,831	134,831	-	134,831
Share of losses from jointly- controlled entity	-	(6,489)	-	-	-	(6,489)	-	(6,489)
Finance costs	(112,775)	(70,066)	(2,163)	(10,236)	(23,761)	(219,001)	67,598	(151,403)
Income tax expenses	(792)	(70,766)	(34,850)	(108,754)	(1,919)	(217,081)	-	(217,081)
Profits (losses) for the year	<b>350,907</b>	<b>206,388</b>	<b>83,652</b>	<b>(190,792)</b>	<b>152,135</b>	<b>602,290</b>	<b>(132,272)</b>	<b>470,018</b>

	Consolidated financial statements as at 30 September 2013							
	MOS group	Subtech group	Seascope group	Drilling group	Holding group <i>(in thousand Baht)</i>	Total	Elimination	Group
Property, plant and equipment	7,899,626	764,364	207,493	1,487,260	113,603	10,472,346	(180,748)	10,291,598
<b>Total assets</b>	<b>11,578,052</b>	<b>3,080,808</b>	<b>838,854</b>	<b>4,197,470</b>	<b>17,415,623</b>	<b>37,110,807</b>	<b>(14,813,554)</b>	<b>22,297,253</b>



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

**24 Cost of services**

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Crew, staff and subcontractor costs	105,076	65,849	3,200,963	2,052,349
Vessel expenses and repair and maintenance expenses	39,826	35,212	1,213,231	1,097,470
Charter hire and equipment rental	18,026	3,427	549,131	106,811
Recharge expenses related to services provided	5,042	7,167	153,596	223,378
Mobilisation/demobilisation expense	22,574	5,118	687,679	159,515
Depreciation	26,530	25,190	808,191	785,109
Amortisation	288	239	8,773	7,449
Commission fee	1,547	-	47,127	-
<b>Total</b>	<b>218,909</b>	<b>142,202</b>	<b>6,668,691</b>	<b>4,432,081</b>

**25 Administrative expenses**

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Employee benefit expenses	19,989	13,913	608,930	433,633
Depreciation	775	743	23,609	23,157
Amortisation	30	38	914	1,184
Office and office equipment rental	478	336	14,562	10,472
Yard supervision fees	-	42	-	1,309
Management and support fees	(144)	378	(4,387)	11,781
Consulting fees	1,018	357	31,012	11,127
Others	6,720	9,205	204,714	286,897
<b>Total</b>	<b>28,866</b>	<b>25,012</b>	<b>879,354</b>	<b>779,560</b>

	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Employee benefit expenses	3,661	2,994	111,526	93,316
Depreciation	461	438	14,044	13,651
Amortisation	22	19	670	592
Office and office equipment rental	103	106	3,138	3,304
Yard supervision fees	-	42	-	1,309
Management and support fees	(144)	378	(4,387)	11,781
Consulting fees	121	92	3,686	2,867
Others	1,070	1,421	32,597	44,289
<b>Total</b>	<b>5,294</b>	<b>5,490</b>	<b>161,274</b>	<b>171,109</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 26 Employee benefit expenses

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Crew expenses and subcontractor	105,076	65,849	3,200,963	2,052,349
Wages and salaries	13,196	8,685	401,994	270,690
Contribution to defined contribution plans and social security and expenses related to define benefit plans	1,127	527	34,332	16,425
Bonus	1,880	866	57,270	26,991
Staff welfare	3,250	3,142	99,006	97,928
Equity-settled share-based payment transactions	15	12	457	374
Others	521	681	15,871	21,225
<b>Total</b>	<b>125,065</b>	<b>79,762</b>	<b>3,809,893</b>	<b>2,485,982</b>

  

	Separate financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Wages and salaries	2,209	1,714	67,293	53,421
Contribution to defined contribution plans and social security and expenses related to define benefit plans	158	145	4,813	4,520
Bonus	634	209	19,314	6,514
Staff welfare	323	586	9,840	18,264
Equity-settled share-based payment transactions	15	12	457	374
Others	322	328	9,809	10,223
<b>Total</b>	<b>3,661</b>	<b>2,994</b>	<b>111,526</b>	<b>93,316</b>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate 7% of their basic salaries and by the Group at rate 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

### 27 Finance costs

	Consolidated financial statements			
	2013 (in thousand US Dollar)	2012	2013 (in thousand Baht)	2012
Interest expense from borrowings	4,759	3,977	144,975	123,953
Losses from interest rate swap contracts	-	4,926	-	153,531
Amortisation of front-end fees	206	110	6,276	3,429
Interest expense from finance lease	5	2	152	62
<b>Total</b>	<b>4,970</b>	<b>9,015</b>	<b>151,403</b>	<b>280,975</b>



## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Interest expense from borrowings	647	-	19,710	-
Amortisation of front-end fees	88	-	2,680	-
Interest expense from related parties	45	-	1,371	-
<b>Total</b>	<b>780</b>	<b>-</b>	<b>23,761</b>	<b>-</b>

### 28 Income tax expenses

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Adjustment for prior years	76	19	2,315	592
Current taxes	4,303	3,237	131,083	100,889
Deferred taxes (note 17)	2,747	522	83,683	16,270
<b>Total</b>	<b>7,126</b>	<b>3,778</b>	<b>217,081</b>	<b>117,751</b>

	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Current taxes	63	95	1,919	2,961
<b>Total</b>	<b>63</b>	<b>95</b>	<b>1,919</b>	<b>2,961</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the weighted average effective tax rate to profits of the consolidated entities as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Profits before income taxes – accounting	<u>22,555</u>	<u>7,791</u>	<u>687,099</u>	<u>242,827</u>
Tax at the domestic rate of 23% <i>(2012 :30%)</i>	5,188	2,337	158,033	72,848
Adjustments:				
Income not subject to tax and additional taxable expenses	(2,805)	(4,892)	(85,450)	(152,471)
Reversal of losses from impairment of investment	(3,888)	-	(118,441)	-
Expenses not deductible for tax purposes	1,790	1,993	54,539	62,117
Utilisation of previously unrecognised tax losses	(436)	(325)	(13,282)	(10,129)
Tax losses for which no deferred income tax assets were recognised	2,738	1,061	83,409	33,069
Adjustments in respect of prior year	(42)	1	(1,279)	-
Remeasurement of gain on exchange rate of US Dollar financial statement	(228)	543	(6,946)	16,950
Remeasurement of gain on exchange rate of Thai Baht financial statement	(776)	32	(23,640)	991
Withholding tax not recoverable, written off	<u>1,922</u>	<u>415</u>	<u>58,550</u>	<u>12,935</u>
Tax charges from domestic operations	3,463	1,165	105,493	36,310
Tax charges from overseas operations	<u>916</u>	<u>2,091</u>	<u>27,905</u>	<u>65,171</u>
Total tax charges	4,379	3,256	133,398	101,481
Tax charges	<u>4,379</u>	<u>3,256</u>	<u>133,398</u>	<u>101,481</u>
The effect from change of deferred tax assets	2,809	884	85,571	27,553
Re-measurement of deferred tax – change in tax rate	<u>(62)</u>	<u>(362)</u>	<u>(1,888)</u>	<u>(11,283)</u>
Total income tax expenses	<u>7,126</u>	<u>3,778</u>	<u>217,081</u>	<u>117,751</u>
The average effective tax rate	32%	48%	32%	48%

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**

	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar)</i>	2012	2013 <i>(in thousand Baht)</i>	2012
Profits before income taxes – accounting	<u>601</u>	<u>1,711</u>	<u>18,308</u>	<u>53,328</u>
Tax at the domestic rate of 23% <i>(2012 : 30%)</i>	138	513	4,211	15,998
Adjustments:				
Expenses not deductible for tax purposes	73	147	2,217	4,582
Utilisation of previously unrecognised tax losses	(237)	(178)	(7,220)	(5,548)
Remeasurement of gain on exchange rate of US Dollar financial statement	108	(102)	3,290	(3,188)
Remeasurement of gain on exchange rate of Thai Baht financial statement	(82)	(380)	(2,498)	(11,844)
Withholding tax not recoverable, written off	<u>63</u>	<u>95</u>	<u>1,919</u>	<u>2,961</u>
Total income tax expenses	<u>63</u>	<u>95</u>	<u>1,919</u>	<u>2,961</u>
The average effective tax rate	10%	6%	10%	6%

The average effective tax rate is calculated including taxes due from overseas operations.

*Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

**29 Promotional privileges**

As at 30 September 2013, the Company and four subsidiaries received promotional privileges from the Thailand Board of Investment (“BOI”) under a number of different categories, including services of submerged structure inspection, service of underwater equipment, service of inspection of marine pollution, drilling services, trade and investment service office. The main privileges include exemption from payment of import duty on machinery and exemption from corporate income tax for the promoted activities for a period of 8 years from the date when income is first derived, or when approval is given by the BOI.

To be entitled to the privileges, the subsidiaries must comply with the conditions and restrictions provided in the promotional certificates.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 30 Earnings per share

#### *Basic earnings per share*

The calculations of basic earnings per share for the years that ended on 30 September 2013 and 2012 were based on the profits for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar/thousand shares)</i>	2012 <i>(in thousand US Dollar/thousand shares)</i>	2013 <i>(in thousand Baht/ thousand shares)</i>	2012 <i>(in thousand Baht/ thousand shares)</i>
<b>Profits attributable to ordinary shareholders of the Company (basic)</b>	<b>15,746</b>	<b>3,221</b>	<b>479,675</b>	<b>100,391</b>
<b>Number of ordinary shares outstanding (basic)</b>	<b>784,748</b>	<b>784,748</b>	<b>784,748</b>	<b>784,748</b>
Effect of shares issued on 24 September 2013	10,925	-	10,925	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>795,673</b>	<b>784,748</b>	<b>795,673</b>	<b>784,748</b>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
<b>Earnings per share (basic)</b>	<b>0.020</b>	<b>0.004</b>	<b>0.603</b>	<b>0.128</b>
	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar/thousand shares)</i>	2012 <i>(in thousand US Dollar/thousand shares)</i>	2013 <i>(in thousand Baht/ thousand shares)</i>	2012 <i>(in thousand Baht/ thousand shares)</i>
<b>Profits attributable to ordinary shareholders of the Company (basic)</b>	<b>538</b>	<b>1,616</b>	<b>16,389</b>	<b>50,367</b>
<b>Number of ordinary shares outstanding (basic)</b>	<b>784,748</b>	<b>784,748</b>	<b>784,748</b>	<b>784,748</b>
Effect of shares issued on 24 September 2013	10,925	-	10,925	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>795,673</b>	<b>784,748</b>	<b>795,673</b>	<b>784,748</b>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
<b>Earnings per share (basic)</b>	<b>0.001</b>	<b>0.002</b>	<b>0.021</b>	<b>0.064</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### *Diluted earnings per share*

The calculations of diluted earnings per share for the years that ended on 30 September 2013 and 2012 were based on the profits for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated financial statements</b>			
	2013 <i>(in thousand US Dollar/thousand shares)</i>	2012 <i>(in thousand US Dollar/thousand shares)</i>	2013 <i>(in thousand Baht/ thousand shares)</i>	2012 <i>(in thousand Baht/ thousand shares)</i>
<b>Profits attributable to ordinary shareholders of the Company (basic)</b>	<b>15,746</b>	<b>3,221</b>	<b>479,675</b>	<b>100,391</b>
Weighted average number of ordinary shares outstanding (basic)	795,673	784,748	795,673	784,748
Effect from employee share option plan	466	240	466	240
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>796,139</b>	<b>784,988</b>	<b>796,139</b>	<b>784,988</b>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
<b>Earnings per share (diluted)</b>	<b>0.020</b>	<b>0.004</b>	<b>0.603</b>	<b>0.128</b>
	<b>Separate financial statements</b>			
	2013 <i>(in thousand US Dollar/thousand shares)</i>	2012 <i>(in thousand US Dollar/thousand shares)</i>	2013 <i>(in thousand Baht/ thousand shares)</i>	2012 <i>(in thousand Baht/ thousand shares)</i>
<b>Profits attributable to ordinary shareholders of the Company (basic)</b>	<b>538</b>	<b>1,616</b>	<b>16,389</b>	<b>50,367</b>
Weighted average number of ordinary shares outstanding (basic)	795,673	784,748	795,673	784,748
Effect from employee share option plan	466	240	466	240
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>796,139</b>	<b>784,988</b>	<b>796,139</b>	<b>784,988</b>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
<b>Earnings per share (diluted)</b>	<b>0.001</b>	<b>0.002</b>	<b>0.021</b>	<b>0.064</b>

### 31 Dividends

At the annual general meeting of shareholders of the Company held on 28 January 2013, the shareholders approved the payment of an annual dividend of Baht 0.0274 per share, amounting to US Dollar 0.7 million or Baht 21.5 million. The dividend was paid to shareholders on 22 February 2013.

### 32 Financial instruments

#### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital Management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding minority interests and also monitor the level of dividends to ordinary shareholders.

#### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### *Determination of fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other accounts receivables is taken to approximate the carrying value.

As at 30 September 2013 and 2012, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

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**33 Guarantees**

As at 30 September 2013 and 2012, the Group and the Company had outstanding guarantees as follows:

	<b>Consolidated financial statements</b>							
	thousand Baht	30 September 2013			30 September 2012			thousand AED
		thousand USD	thousand AED	thousand QAR	thousand Baht	thousand USD		
Letters of guarantee issued by financial institutions in the normal course of business	15,600	20,827	50	300	27,590	1,920	50	
Guarantee for long-term borrowings of subsidiaries to financial institutions	-	133,861	-	17,641	-	131,617	-	

	<b>Separate financial statements</b>			
	30 September 2013		30 September 2012	
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	400	8,750	400	-
Guarantee for long-term borrowings of subsidiaries to financial institutions	-	133,861	-	131,617

**34 Commitments with non-related parties**

*(a) Capital commitments*

	<b>Consolidated financial statements</b>			
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Rig special periodic survey contracts	-	903	-	27,838
<b>Total</b>	<b>-</b>	<b>903</b>	<b>-</b>	<b>27,838</b>

## Mermaid Maritime Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### (b) Operating lease commitments - company as lessee

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

	Consolidated financial statements			
	30 September 2013 <i>(in thousand US Dollar)</i>	30 September 2012	30 September 2013 <i>(in thousand Baht)</i>	30 September 2012
<b>Non-cancellable operating lease Commitments</b>				
Within one year	12,577	6,387	394,801	196,903
After one year but within five years	17,769	2,643	557,781	81,481
<b>Total</b>	<b>30,346</b>	<b>9,030</b>	<b>952,582</b>	<b>278,384</b>

In February 2012, a subsidiary company has entered into the agreement with its local third party company for the vessel time charter for the period of 2 years which effective dated 29 February 2012, the contract has been extend one year till 28 February 2015.

In June 2013, a subsidiary company has entered into the agreement with its local third party company for the vessel time charter for the period of 3 years term and the option for 2 years extension period. The vessel delivery date will be 1 December 2013.

#### (c) Other commitments

As at 30 September 2013 the Group had commitments on procurement commission of a new drilling unit of US Dollar 2.0 million (2012: US Dollar 2.0 million).

## 35 Share-based payment

The Company had four share option schemes in operation during the financial year, all of which are equity-settled schemes:

- i) Employee share option plan 2008 (“ESOP 2008”) was approved by the Company’s shareholders on 11 July 2007. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.
- ii) Employee share option plan 2009 (“ESOP 2009”) was approved by the Company’s shareholders on 29 January 2009. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

- iii) Employee share option plan 2010 (“ESOP 2010”) was approved by the Company’s shareholders on 28 January 2010. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors and non-executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.
- iv) Employee share option plan 2011 (“ESOP 2011”) was approved by the Company’s shareholders on 25 January 2011. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors and non-executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.

Share options are granted to the selected executive directors and non-executive directors. The exercise price of the granted options is equal to the average of the “Market Price”, being the price equal to the weighted average price for the shares on SGX-ST fifteen consecutive trading days immediately preceding the date of grant. Options are conditional on the employee completing three years’ service (the vesting period). The options are exercisable starting three years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Pursuant to the terms of each ESOP, an adjustment must be made to the exercise price and/or the numbers of options granted in the event that there is any variation to the Company’s issued capital, such as arising from a rights issue. This is for purpose of the mitigation of the dilution effect on the options already granted arising from such a capitalising exercise.

In early October 2013, the Company completed a capitalisation exercise in the form of a non-renounceable non-underwritten rights issue and private placement of 627,798,180 rights shares at a price of SGD 0.28 for each rights share on the basis of 4 rights shares for every 5 existing ordinary shares.

Accordingly, the total number of options granted pursuant to ESOP 2008, ESOP 2009, ESOP2010, and ESOP 2011 and their respective exercise price have been adjusted by the Remuneration Committee to be as follows:

	Outstanding no. of options	Previous Exercise Price (SGD per share)	Adjusted no. of options	Adjusted Exercise Price (SGD per share)
ESOP 2008	661,200	0.30	745,092	0.27
ESOP 2009	552,000	0.81	622,037	0.72
ESOP 2010	345,000	0.45	388,773	0.40
ESOP 2011	620,000	0.24	698,664	0.21
<b>Total</b>	<b>2,178,200</b>		<b>2,454,566</b>	

None of the participants in any of the said ESOPs were granted 5% or more of the total number of options originally available in each ESOP and no options were granted at a discount. Furthermore, no directors or controlling shareholders of the Group hold options under any of the said ESOPs and no options are held by the Company’s parent company or other subsidiaries of the parent company outside the Company, nor any of its or their directors or employees.

## Mermaid Maritime Public Company Limited and its Subsidiaries

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Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Consolidated financial statements		Separate financial statements	
	Average exercise price SGD per share	Option Thousand shares	Average exercise price SGD per share	Option Thousand shares
At 1 October 2011	0.52	2,331	0.52	2,331
Granted	0.24	1,310	0.24	1,310
Forfeited	0.41	(1,109)	0.41	(1,109)
At 30 September 2012	0.42	2,532	0.42	2,532
Granted	0.39	276	0.39	276
Forfeited	0.33	(353)	0.33	(353)
<b>At 30 September 2013</b>	<b>0.39</b>	<b>2,455</b>	<b>0.39</b>	<b>2,455</b>

Out of the 2,454,566 outstanding options (2012: 2,531,800 options), 1,367,129 options (2012: 672,800 options) were exercisable. None of the share options were exercised during the financial year. The average share price during the financial year ended 30 September 2013 was SGD 0.36 per share (2012: SGD 0.31 per share).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Consolidated financial statements			Separate financial statements		
	Exercise price SGD per shares	30 September 2013 Thousand shares	30 September 2012 Thousand shares	Exercise price SGD per shares	30 September 2013 Thousand shares	30 September 2012 Thousand shares
Expired date:						
20 November 2013	0.27	745	673	0.27	745	673
16 November 2014	0.72	622	599	0.72	622	599
1 December 2015	0.40	389	370	0.40	389	370
15 December 2016	0.21	699	890	0.21	699	890
		<b>2,455</b>	<b>2,532</b>		<b>2,455</b>	<b>2,532</b>

The weighted average fair value of options granted during the period using the Binomial Lattice valuation model was SGD 0.09 per option. The significant inputs into the model were a weighted average share price of SGD 0.23 at the grant date, exercise price shown above, volatility of 45%, dividend yield of 0%, an expected option life of 3.85 years, and an annual risk-free interest rate of 3.015% - 3.081%.

On 15 December 2011, 1,310,000 share options were granted to the Group's executive directors and non-executive directors with an exercise price set at the market price on that date of SGD 0.24 per share (share price: SGD 0.23 per share) (expiry date: 15 December 2016). With the adoption of TFRS 2 "Share-based Payment", grant on or after 1 October 2011 were accounted for. Given that this option has a vesting period of 3 years, the accounting expense with respect to the plan may be amortised using the straight-line method over 3 years. The projected accounting expense calculated by an actuary which is recognised as a component of equity in the statement of changes in equity for the year ended 30 September 2013 amounted to US Dollar 14,719.7 (2012 : US Dollar 11,866.8)

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 36 Events after the reporting period

#### *Issue and listing of 58,105,821 placement shares*

Further to the announcement made by the Company on 30 September 2013, on 3 October 2013, the Board of Directors announced that the Company has completed the allotment and issue of 58,105,821 Placement Shares. The Placement Shares will, upon issue, rank *pari passu* in all respects with and carry all rights similar to the Shares in issue as at 4 October 2013, except that they will not rank for any dividends, rights allotments or other distributions which may be declared or paid, the record date in respect of which falls on or before the day immediately prior to the date on which the Placement Shares are issued. The Placement Shares were listed for quotation on the Main Board of the SGX-ST on 4 October 2013 and the trading commenced on the same date.

#### *Dividend payment proposal*

At the Board of the director of the Company held on 26 November 2013, the Board approved to propose an annual dividend payment of US Dollar 0.005 per share and good performance dividend payment of US Dollar 0.0036 per share, total amounting of US Dollar 12.15 million or equivalent to Baht 371.64 million to the shareholders of the Company. The dividend shall be proposed to the Annual General Meeting of Shareholders in January 2014 for their consideration and approval.

### 37 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised Thai Financial Reporting Standards (“TFRS”) that have been issued as of the reporting date but are not yet effective. The new and revised TFRS become effective for annual financial periods beginning on or after 1 January in the year indicated.

TFRS	Topic	Year effective
TAS 12 (revised 2012)	Income Taxes	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRS 8	Operating Segments	2013
TFRIC 10	Interim Financial Reporting and Impairment	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the Federation of Accounting Professions’ announcement. These standards are as follows:

#### *TAS 12 (revised 2012) – Income taxes*

Management is of the opinion that the adoption of TAS 12 (revised 2012) will not have significant impact on the Group’s financial statements.

#### *TFRIC 4 – Determining whether an Arrangement contains a Lease*

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases that should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 to be applied to classify and account for the lease.

## **Mermaid Maritime Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### ***TFRS 8 – Operating segments***

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.

#### ***TFRIC 10 - Interim Financial Reporting and Impairment***

Management is of the opinion that the adoption of TFRIC 10 will not have significant impact on the Group's financial statements.