

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

Interim financial statements
for the three-month period ended
31 March 2018

and

Independent Auditor's report on review of
interim financial information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, as at 31 March 2018; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2018; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
15 May 2018

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

Consolidated financial statements					
Assets	<i>Note</i>	31 March	31 December	31 March	31 December
		2018	2017	2018	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current assets</i>					
Cash and cash equivalents		73,017	68,692	2,280,452	2,244,916
Trade accounts receivable	3,4	36,638	62,147	1,144,270	2,031,020
Other accounts receivable	3	13,298	9,037	415,320	295,337
Supplies and spare parts		1,980	1,928	61,839	63,009
Non-current assets classified as held for sale	5	3,800	-	118,681	-
Total current assets		128,733	141,804	4,020,562	4,634,282
<i>Non-current assets</i>					
Restricted deposit at financial institutions		13,802	12,802	431,061	418,381
Investment in associates	6	90,214	88,927	2,817,546	2,906,214
Investment in joint venture	6	2,056	2,047	64,213	66,898
Investment properties		521	541	16,272	17,680
Property, plant and equipment	8	179,763	182,872	5,614,322	5,976,422
Goodwill		2,066	2,066	64,525	67,519
Intangible assets		87	122	2,717	3,987
Advance payment for investment	9	21,108	17,275	659,241	564,563
Deferred tax assets		2,470	2,470	77,143	80,722
Other non-current assets		248	202	7,745	6,602
Total non-current assets		312,335	309,324	9,754,785	10,108,988
Total assets		441,068	451,128	13,775,347	14,743,270

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

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

		Consolidated financial statements			
Liabilities and equity	<i>Note</i>	31 March 2018 (Unaudited) <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 (Unaudited) <i>(in thousand Baht)</i>	31 December 2017
<i>Current liabilities</i>					
Trade accounts payable		6,530	4,792	203,944	156,607
Other accounts payable	3	19,314	22,079	603,210	721,561
Current portion of long-term borrowings	10	11,890	11,890	371,346	388,576
Current portion of finance lease liabilities		47	47	1,468	1,536
Current income tax payable		179	75	5,590	2,451
Total current liabilities		37,960	38,883	1,185,558	1,270,731
<i>Non-current liabilities</i>					
Long-term borrowings	10	64,753	67,725	2,022,353	2,213,314
Finance lease liabilities		92	92	2,873	3,007
Provisions for employee benefits		2,263	2,244	70,678	73,336
Total non-current liabilities		67,108	70,061	2,095,904	2,289,657
Total liabilities		105,068	108,944	3,281,462	3,560,388

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			
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Equity				
Share capital				
Authorized share capital	-	-	1,416,701	1,416,701
Issued and paid share capital	47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	343,536	343,536	12,271,678	12,271,678
Deficit	(52,254)	(46,052)	(3,574,466)	(3,378,846)
Other components of equity	(2,199)	(2,199)	401,103	895,048
Equity attributable to owners of the parent	336,405	342,607	10,511,644	11,201,209
Non-controlling interests	(405)	(423)	(17,759)	(18,327)
Total equity	336,000	342,184	10,493,885	11,182,882
Total liabilities and equity	441,068	451,128	13,775,347	14,743,270

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			
		31 March	31 December	31 March	31 December
		2018	2017	2018	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current assets					
Cash and cash equivalents		20,216	25,370	631,382	829,114
Other accounts receivable		146,082	140,714	4,562,404	4,598,660
Short-term loans to related parties	3	699	62	21,831	2,026
Total current assets		166,997	166,146	5,215,617	5,429,800
Non-current assets					
Restricted deposit at financial institutions		4,375	4,375	136,639	142,979
Investment in joint venture	6	213	213	6,652	6,961
Investments in subsidiaries	7	156,959	156,959	4,902,112	5,129,561
Investment properties		1,844	1,914	57,591	62,551
Long-term loan to related party	3	58,082	55,506	1,814,005	1,813,986
Property, plant and equipment	8	187	204	5,840	6,667
Intangible assets		36	42	1,124	1,373
Advance payment for investment	9	21,108	17,275	659,241	564,563
Deferred tax assets		17	17	531	556
Other non-current assets		55	48	1,718	1,569
Total non-current assets		242,876	236,553	7,585,453	7,730,766
Total assets		409,873	402,699	12,801,070	13,160,566

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			
		31 March 2018 (Unaudited) <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 (Unaudited) <i>(in thousand Baht)</i>	31 December 2017
Liabilities and equity	<i>Note</i>				
<i>Current liabilities</i>					
Other accounts payable	3	503	586	15,709	19,152
Total current liabilities		503	586	15,709	19,152
<i>Non-current liabilities</i>					
Provisions for employee benefits		92	87	2,873	2,843
Total non-current liabilities		92	87	2,873	2,843
Total liabilities		595	673	18,582	21,995
<i>Equity</i>					
Share capital					
Authorized share capital		-	-	1,416,701	1,416,701
Issued and paid share capital		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares		343,536	343,536	12,271,678	12,271,678
Differences arising from common control transactions		(7,406)	(7,406)	(239,757)	(239,757)
Retained earnings (Deficit)					
Unappropriated (Deficit)		25,798	18,546	(620,483)	(849,219)
Other components of equity		28	28	(42,279)	542,540
Total equity		409,278	402,026	12,782,488	13,138,571
Total liabilities and equity		409,873	402,699	12,801,070	13,160,566

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Three-month period ended 31 March		Three-month period ended 31 March	
	<i>Note</i>	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
Revenue					
Revenue from rendering of services	3	17,992	36,539	567,487	1,283,071
Interest income		139	152	4,384	5,337
Net gain on foreign exchange		603	409	19,019	14,362
Other income	3	2,143	1,355	67,592	47,581
Total revenue		20,877	38,455	658,482	1,350,351
Expenses					
Costs of rendering of services		22,337	32,153	704,534	1,129,056
Administrative expenses	3	4,983	5,812	157,169	204,089
Finance costs		919	872	28,986	30,620
Total expenses		28,239	38,837	890,689	1,363,765
Share of profit of associates and joint venture	6	1,296	1,186	40,877	41,647
Profit (loss) before income tax expense		(6,066)	804	(191,330)	28,233
Tax expense		118	59	3,722	2,072
Profit (loss) for the period		(6,184)	745	(195,052)	26,161
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		-	(144)	-	(5,057)
Translation adjustments		-	-	(493,945)	(467,381)
Other comprehensive expense for the period, net of tax		-	(144)	(493,945)	(472,438)
Total comprehensive income (expense) for the period		(6,184)	601	(688,997)	(446,277)

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

Consolidated financial statements					
		Three-month period ended		Three-month period ended	
		31 March		31 March	
<i>Note</i>	2018	2017	2018	2017	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Profit (loss) attributable to:					
Owners of parent	(6,202)	735	(195,620)	25,810	
Non-controlling interests	18	10	568	351	
Profit (loss) for the period	<u>(6,184)</u>	<u>745</u>	<u>(195,052)</u>	<u>26,161</u>	
Total comprehensive income (expense) attributable to:					
Owners of parent	(6,202)	591	(689,565)	(446,628)	
Non-controlling interests	18	10	568	351	
Total comprehensive income (expense) for the period	<u>(6,184)</u>	<u>601</u>	<u>(688,997)</u>	<u>(446,277)</u>	
Basic earnings (losses) per share		<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic earnings (losses) per share	12	<u>(0.0044)</u>	<u>0.0005</u>	<u>(0.1384)</u>	<u>0.0183</u>

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Separate financial statements				
		Three-month period ended 31 March		Three-month period ended 31 March		
<i>Note</i>		2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017	
Revenue						
	Management fee income	3	90	-	2,839	-
	Interest income	3	318	298	10,030	10,464
	Net gain on foreign exchange		7,919	6,249	249,774	219,434
	Other income	3	96	84	3,028	2,950
	Total revenue		8,423	6,631	265,671	232,848
Expenses						
	Administrative expenses	3	1,171	663	36,935	23,281
	Total expenses		1,171	663	36,935	23,281
	Profit before income tax expense		7,252	5,968	228,736	209,567
	Tax expense		-	-	-	-
	Profit for the period		7,252	5,968	228,736	209,567
Other comprehensive expense						
<i>Items that will be reclassified subsequently to profit or loss</i>						
	Translation adjustments		-	-	(584,819)	(537,926)
	Other comprehensive expense for the period, net of tax		-	-	(584,819)	(537,926)
	Total comprehensive income (expense) for the period		7,252	5,968	(356,083)	(328,359)
Basic earnings per share			<i>(in US Dollar)</i>		<i>(in Baht)</i>	
	Basic earnings per share	12	0.0051	0.0042	0.1618	0.1483

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

		Consolidated financial statements										
		Retained earnings/(Deficit)	Other components of equity				Equity	Non-	Total			
		Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment interests	Changes in ownership interests	Total other components of equity	attributable to owners of parent	controlling interests	equity
		Note										
Three-month period ended 31 March 2017												
	Balance at 1 January 2017	47,322	343,536	-	(50,400)	1,337	28	(3,166)	(1,801)	338,657	(410)	338,247
	Transactions with owners, recorded directly in equity											
	<i>Distributions to owners of the parent</i>											
	Liquidation of a subsidiary	7	-	-	254	-	-	(254)	(254)	-	-	-
	<i>Total distributions to owners of the parent</i>				254			(254)	(254)			
	Total transactions with owners, recorded directly in equity				254			(254)	(254)			
	Comprehensive income (expense) for the period											
	Profit	-	-	-	735	-	-	-	-	735	10	745
	Exchange differences on translating financial statements	-	-	-	-	(144)	-	-	(144)	(144)	-	(144)
	Total comprehensive income (expense) for the period				735	(144)	-	-	(144)	591	10	601
	Balance at 31 March 2017	47,322	343,536	-	(49,411)	1,193	28	(3,420)	(2,199)	339,248	(400)	338,848

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

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated financial statements									
		Retained earnings/(Deficit)	Other components of equity				Equity	Non-			
Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	ownership interests	Total other components of equity	attributable to owners of parent	controlling interests	Total equity	
Note											
<i>(in thousand US Dollar)</i>											
Three-month period ended 31 March 2018											
	47,322	343,536	-	(46,052)	1,193	28	(3,420)	(2,199)	342,607	(423)	342,184
Comprehensive income (expense)											
for the period											
Profit (loss)	-	-	(6,202)	-	-	-	-	-	(6,202)	18	(6,184)
Total comprehensive income (expense)											
for the period											
Balance at 31 March 2018	47,322	343,536	-	(52,254)	1,193	28	(3,420)	(2,199)	336,405	(405)	336,000

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements										
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/(Deficit)			Other components of equity			Equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity			
Three-month period ended 31 March 2017											
Balance at 1 January 2017	1,413,329	12,271,678	-	(3,529,009)	2,092,137	874	(111,483)	1,981,528	12,137,526	(17,901)	12,119,625
Transactions with owners, recorded directly in equity											
<i>Distributions to owners of the parent</i>											
Liquidation of a subsidiary	-	-	-	9,680	-	-	(9,680)	(9,680)	-	-	-
<i>Total distributions to owners of the parent</i>	-	-	-	9,680	-	-	(9,680)	(9,680)	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	9,680	-	-	(9,680)	(9,680)	-	-	-
Comprehensive income (expense) for the period											
Profit	-	-	-	25,810	-	-	-	-	25,810	351	26,161
Exchange differences on translating financial statements	-	-	-	-	(5,057)	-	-	(5,057)	(5,057)	-	(5,057)
Translation adjustments	-	-	-	-	(467,381)	-	-	(467,381)	(467,381)	-	(467,381)
Total comprehensive income (expense) for the period	-	-	-	25,810	(472,438)	-	-	(472,438)	(446,628)	351	(446,277)
Balance at 31 March 2017	1,413,329	12,271,678	-	(3,493,519)	1,619,699	874	(121,163)	1,499,410	11,690,898	(17,550)	11,673,348

(in thousand Baht)

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

		Consolidated financial statements								
		Other components of equity					Equity attributable to owners of parent	Non-controlling interests	Total equity	
		Retained earnings/(Deficit)	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity				
Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	1,015,337	874	(121,163)	895,048	11,201,209	(18,327)	11,182,882
Note	12,271,678	-	(3,378,846)	1,015,337	874	(121,163)	895,048	11,201,209	(18,327)	11,182,882
<i>(in thousand Baht)</i>										
Three-month period ended 31 March 2018										
Balance at 1 January 2018										
Comprehensive income (expense)										
for the period										
	-	-	(195,620)	-	-	-	-	(195,620)	568	(195,052)
Profit (loss)										
Exchange differences on translating financial statements										
Translation adjustments				(493,945)			(493,945)	(493,945)		(493,945)
Total comprehensive income (expense)										
for the period										
	-	-	(195,620)	(493,945)	-	-	(493,945)	(689,565)	568	(688,997)
Balance at 31 March 2018	1,413,329	12,271,678	(3,574,466)	521,392	874	(121,163)	401,103	10,511,644	(17,759)	10,493,885

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

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements						Total equity
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated		
Three-month period ended 31 March 2018							
Balance at 1 January 2018	47,322	343,536	(7,406)	-	18,546	28	402,026
Comprehensive income for the period							
Profit	-	-	-	-	7,252	-	7,252
Total comprehensive income for the period							
Balance at 31 March 2018	47,322	343,536	(7,406)	-	25,798	28	409,278

(in thousand US Dollar)

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

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements							Total equity	
	Retained earnings/(Deficit)		Other components of equity			Total other components of equity			
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Legal reserve	Deficit		Translation of financial statements		Share-based payment
Three-month period ended 31 March 2017									
Balance at 1 January 2017	1,413,329	12,271,678	(239,757)	-	(1,370,244)	1,781,895	874	1,782,769	13,857,775
Comprehensive income (expense) for the period									
Profit	-	-	-	-	209,567	-	-	-	209,567
Translation adjustments	-	-	-	-	-	(537,926)	-	(537,926)	(537,926)
Total comprehensive income (expense) for the period	-	-	-	-	209,567	(537,926)	-	(537,926)	(328,359)
Balance at 31 March 2017	1,413,329	12,271,678	(239,757)	-	(1,160,677)	1,243,969	874	1,244,843	13,529,416

(in thousand Baht)

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements							Total equity	
	Retained earnings/(Deficit)			Other components of equity					
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Legal reserve	Deficit	Translation of financial statements	Share-based payment		Total other components of equity
Three-month period ended 31 March 2018									
Balance at 1 January 2018	1,413,329	12,271,678	(239,757)	-	(849,219)	541,666	874	542,540	13,138,571
Comprehensive income (expense) for the period									
Profit	-	-	-	-	228,736	-	-	-	228,736
Translation adjustments	-	-	-	-	-	(584,819)	-	(584,819)	(584,819)
Total comprehensive income (expense) for the period	-	-	-	-	228,736	(584,819)	-	(584,819)	(356,083)
Balance at 31 March 2018	1,413,329	12,271,678	(239,757)	-	(620,483)	(43,153)	874	(42,279)	12,782,488

(in thousand Baht)

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

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements			
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2018	2017	2018	2017
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(6,184)	745	(195,052)	26,161
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	118	59	3,722	2,072
Finance costs	919	872	28,986	30,620
Depreciation	4,204	5,243	132,599	184,108
Amortisation	27	543	852	19,068
Reversal of impairment losses on assets	(1,800)	-	(56,774)	-
Unrealised loss (gain) on exchange	103	(436)	3,248	(15,310)
Share of profit of associates and joint venture, net of tax	(1,296)	(1,186)	(40,877)	(41,647)
Bad and doubtful debts expenses	20	-	631	-
Gains on disposals of property, plant and equipment	(252)	(6)	(7,948)	(211)
Interest income	(139)	(152)	(4,384)	(5,337)
Gain from liquidation of a subsidiary	-	(145)	-	(5,092)
Provision for employee benefits	19	177	599	6,215
Reversal of provision for non-refundable withholding tax	-	(1,146)	-	(40,242)
Loss from write-off non-refundable withholding tax	249	568	7,854	19,945
	<u>(4,012)</u>	<u>5,136</u>	<u>(126,544)</u>	<u>180,350</u>
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institutions	(1,000)	(1,689)	(31,232)	(58,186)
Trade accounts receivable	25,510	8,653	796,723	298,097
Other accounts receivable	(4,235)	5,780	(132,267)	199,122
Supplies and spare parts	(52)	(345)	(1,624)	(11,885)
Other non-current assets	(46)	35	(1,437)	1,206
Trade accounts payable	1,727	(641)	53,937	(22,083)
Other accounts payable	(2,706)	(7,401)	(84,514)	(254,965)
Exchange rate losses from translating financial statements	-	1	-	35
Translation adjustments	-	-	(97,982)	(87,914)
Net cash generated from operating activities	<u>15,186</u>	<u>9,529</u>	<u>375,060</u>	<u>243,777</u>
Employee benefit paid	(46)	(240)	(1,451)	(8,428)
Taxes paid	-	(693)	-	(24,335)
Net cash from operating activities	<u>15,140</u>	<u>8,596</u>	<u>373,609</u>	<u>211,014</u>

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

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements			
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2018	2017	2018	2017
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>				
Increase in advance payment for investment	(3,833)	-	(119,711)	-
Proceeds from sale of property, plant and equipment and intangible assets	244	36	7,621	1,240
Acquisition of property, plant and equipment and intangible assets	(3,390)	(645)	(105,876)	(22,220)
Interest received	140	234	4,372	8,061
Net cash used in investing activities	<u>(6,839)</u>	<u>(375)</u>	<u>(213,594)</u>	<u>(12,919)</u>
<i>Cash flows from financing activities</i>				
Repayment of borrowings	(3,000)	(2,000)	(93,695)	(68,900)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	-	(7)	-	(241)
Finance costs paid	(889)	(853)	(28,040)	(29,953)
Net cash used in financing activities	<u>(3,889)</u>	<u>(2,860)</u>	<u>(121,735)</u>	<u>(99,094)</u>
Net increase in cash and cash equivalents, before effect of exchange rates	4,412	5,361	38,280	99,001
Effect of exchange rates changes on cash and cash equivalents	(87)	514	(2,744)	18,049
Net increase in cash and cash equivalents	<u>4,325</u>	<u>5,875</u>	<u>35,536</u>	<u>117,050</u>
Cash and cash equivalents at beginning of period	68,692	61,817	2,244,916	2,214,946
Cash and cash equivalents at ending of period	<u>73,017</u>	<u>67,692</u>	<u>2,280,452</u>	<u>2,331,996</u>
<i>Non-cash transactions</i>				
Receivables for sales of property, plant and equipment and intangible assets	24	2	750	69
Payables for purchase of property, plant and equipment and intangible assets	593	48	18,520	1,654
Finance lease agreements for purchases of equipment	139	26	4,341	896
Transfer of property, plant and equipment to non-current assets classified as held for sale	3,800	-	118,681	-

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Separate financial statements				
	<i>Note</i>	Three-month period ended 31 March		Three-month period ended 31 March	
		2018 <i>(in thousand US Dollar)</i>	2017 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand Baht)</i>	2017 <i>(in thousand Baht)</i>
<i>Cash flows from operating activities</i>					
Profit for the period		7,252	5,968	228,736	209,567
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation		88	83	2,776	2,915
Amortization		6	8	189	281
Unrealised gains on exchange		(7,919)	(6,288)	(249,773)	(220,804)
Bad and doubtful debts expenses		-	62	-	2,177
Provision for employee benefits		5	3	158	105
Interest income		(318)	(298)	(10,030)	(10,464)
		<u>(886)</u>	<u>(462)</u>	<u>(27,944)</u>	<u>(16,223)</u>
<i>Changes in operating assets and liabilities</i>					
Receivables from related parties		257	382	8,027	13,160
Other accounts receivable		(38)	(75)	(1,187)	(2,584)
Other non-current assets		(8)	-	(249)	-
Other accounts payable		(83)	(293)	(2,592)	(10,093)
Translation adjustments		-	-	(36,491)	(28,518)
Net cash used in operating activities		<u>(758)</u>	<u>(448)</u>	<u>(60,436)</u>	<u>(44,258)</u>
Taxes paid		(18)	(18)	(568)	(632)
Net cash used in operating activities		<u>(776)</u>	<u>(466)</u>	<u>(61,004)</u>	<u>(44,890)</u>
<i>Cash flows from investing activities</i>					
Proceeds from repayment of short-term loans to related party		3,833	-	119,711	-
Increase in short-term loans to related party		(4,470)	-	(139,606)	-
Increase in advance payment for investment		(3,833)	-	(119,711)	-
Acquisition of property, plant and equipment and intangible assets		(3)	(9)	(94)	(310)
Interest received		77	198	2,405	6,821
Net cash from (used in) investing activities		<u>(4,396)</u>	<u>189</u>	<u>(137,295)</u>	<u>6,511</u>
Net decrease in cash and cash equivalents, before effect of exchange rates		(5,172)	(277)	(198,299)	(38,379)
Effects of exchange rate changes on cash and cash equivalents		18	21	567	737
Net decrease in cash and cash equivalents		<u>(5,154)</u>	<u>(256)</u>	<u>(197,732)</u>	<u>(37,642)</u>
Cash and cash equivalents at beginning of period		25,370	20,877	829,114	748,039
Cash and cash equivalents at ending of period		<u>20,216</u>	<u>20,621</u>	<u>631,382</u>	<u>710,397</u>
<i>Non-cash transactions</i>					
Debt forgiveness to subsidiaries	3	-	3,658	-	126,018

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

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

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Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2018 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 15 May 2018.

1 General information

Mermaid Maritime Public Company Limited (the “Company”) is a public company limited 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, 9th floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand.

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

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

Details of the Company’s subsidiaries, associates, and joint venture as at 31 March 2018 and 31 December 2017 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 March 2018	31 December 2017
<i>Subsidiaries</i>				
Mermaid Subsea Services (Thailand) Ltd., which has four subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Thailand	100.0	100.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry	Singapore	100.0	100.0
PT Seascope Surveys Indonesia ⁽¹⁾	”	Indonesia	49.0	49.0
Mermaid Offshore Services Pte. Ltd.	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Subsea Services (Malaysia) Sdn. Bhd. ⁽²⁾	”	Malaysia	45.0	-
Mermaid Drilling Ltd., which has four subsidiaries as follows:	Production and exploration drilling services	Thailand	95.0	95.0
MTR - 1 Ltd.	Drilling services	Thailand	95.0	95.00
MTR - 2 Ltd.	”	Thailand	95.0	95.00
Mermaid Drilling (Malaysia) Sdn. Bhd.	”	Malaysia	95.0	95.00
MTR - 1 (Singapore) Pte. Ltd.	”	Singapore	95.0	95.00

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 March 2018	31 December 2017
Mermaid Drilling (Singapore) Pte. Ltd. ⁽³⁾	Production and exploration drilling services	Singapore	-	-
MTR - 3 (Singapore) Pte. Ltd. ⁽⁴⁾	"	Singapore	-	-
MTR - 4 (Singapore) Pte. Ltd. ⁽⁴⁾	"	Singapore	-	-
Mermaid Maritime Mauritius Ltd., which has one subsidiary as follows:	Investment holding	Mauritius	100.0	100.0
Mermaid International Ventures, which has three subsidiaries and four associates as follows:	"	Cayman	100.0	100.0
<i>Subsidiaries</i>				
Mermaid Subsea Services (International) Ltd., which has two subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Seychelles	100.0	100.0
Mermaid Subsea Services Saudi Arabia Co., Ltd. (formerly Subtech Saudi Arabia Limited)	"	Saudi Arabia	95.0	95.0
Mermaid Subsea Services LLC ⁽²⁾	"	Qatar	49.0	49.0
<i>Associates</i>				
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Drilling services	Bermuda	33.76	33.76
Asia Offshore Rig 1 Limited	"	Bermuda	33.76	33.76
Asia Offshore Rig 2 Limited	"	Bermuda	33.76	33.76
Asia Offshore Rig 3 Limited	"	Bermuda	33.76	33.76
<i>Joint venture</i>				
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00

- (1) Group interest is 95% after taking account of nominee holdings.
(2) Group interest is 100% after taking account of nominee holdings.
(3) Mermaid Drilling (Singapore) Pte. Ltd. was subsequently deregistered on 5 April 2018.
(4) MTR - 3 (Singapore) Pte. Ltd. and MTR - 4 (Singapore) Pte. Ltd. were deregistered on 5 February 2018.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2018 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Group has adopted all the revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above revised TFRS, The FAP has issued TFRS 15 Revenue from Contracts with Customers which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when or as an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) Construction Contracts,
- TAS 18 (revised 2017) Revenue,
- TSIC 31 (revised 2017) Revenue-Barter Transactions Involving Advertising Services,
- TFRIC 13 (revised 2017) Customer Loyalty Programmes,
- TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate, and
- TFRIC 18 (revised 2017) Transfers of Assets from Customers.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) *Functional and presentation currency*

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 interim consolidated financial statements are stated in US Dollar, which is the Company's functional currency, and Thai Baht, which is the Company's designated presentation currency and accordingly the Company has prepared financial statements in both US Dollar and Thai Baht. All financial information presented in US Dollar and Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of interim 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 these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for year ended 31 December 2017.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 12 - financial instruments.

3 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.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationship
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
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

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

Transactions	Pricing policies
Rendering of services	Prices normally charged to a third party
Management fee	Actual cost plus margin
Interest income and interest expenses	Market linked rate / Borrowing costs of the lender
Rental income	Actual cost plus margin
Other income	Actual cost plus margin
Administrative expenses	Actual cost plus margin
Management benefit expenses	Amount approved by the directors and/or the Shareholders

Significant transactions for the three-month period ended 31 March with related parties were as follows:

Three-month period ended 31 March	Consolidated financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
Parent				
Rental income	13	13	410	456
Administrative expenses	17	13	536	456
Joint venture				
Rendering of services	13,890	16,063	438,106	564,054
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	320	230	10,093	8,076
Post-employment benefits	-	-	18	17
Total key management personnel compensation	320	230	10,111	8,093

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

<i>Three-month period ended 31 March</i>	Separate financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
Parent				
Rental income	13	13	410	456
Administrative expenses	17	13	536	456
Subsidiaries				
Management fee income	90	-	2,839	-
Interest income	215	193	6,781	6,777
Rental income	60	54	1,892	1,896
Other income	19	17	599	597
Administrative expenses	1	63	32	2,212
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	320	166	10,093	5,829
Post-employment benefits	-	-	18	17
Total key management personnel compensation	320	166	10,111	5,846

Balances as at 31 March 2018 and 31 December 2017 with related parties were as follows:

	Consolidated financial statements			
	31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
Trade accounts receivable from related parties				
Joint venture	22,064	45,119	689,098	1,474,530
Total	22,064	45,119	689,098	1,474,530
Other accounts receivable from related parties				
Parent	5	5	156	163
Total	5	5	156	163
Other accounts payable to related parties				
Parent	6	6	187	196
Total	6	6	187	196

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2018 (Unaudited)

	Separate financial statements			
	31	31	31	31
	March 2018 <i>(in thousand US Dollar)</i>	December 2017	March 2018 <i>(in thousand Baht)</i>	December 2017
<i>Other accounts receivable from related parties</i>				
Parent	5	5	156	163
Subsidiaries	61,197	59,731	1,911,293	1,952,063
Subsidiaries - transferred investments in associates under common control	86,045	82,227	2,687,340	2,687,252
	<u>147,247</u>	<u>141,963</u>	<u>4,598,789</u>	<u>4,639,478</u>
Less allowance for doubtful account	(1,359)	(1,359)	(42,444)	(44,413)
Net	<u>145,888</u>	<u>140,604</u>	<u>4,556,345</u>	<u>4,595,065</u>
Bad and doubtful debts expense for the three-month period ended 31 March	-	62	-	2,177

Other accounts receivable from transferred investment in associates under common control

On 26 September 2014, the Company agreed to transfer the investment in associates, Asia offshore Drilling Group, to a subsidiary, Mermaid International Ventures “MIV” at cost of US Dollar 97.6 million for consideration received of Baht 2,899.0 million or equivalent to US Dollar 90.2 million. As at 31 March 2018, the Company had outstanding amount due from MIV amounting to US Dollar 86.0 million or equivalent to Baht 2,687.3 million (2017: US Dollar 82.2 million or equivalent to Baht 2,687.3 million) as other accounts receivable from related parties in the separated financial statement.

Debt forgiveness to subsidiaries

During the three-month period ended 31 March 2017, the Company forgave receivables due from direct subsidiaries MTR-3 (Singapore) Pte. Ltd. (“M3S”) and MTR-4 (Singapore) Pte. Ltd. (“M4S”) of US Dollar 1.8 million and US Dollar 1.8 million, respectively. A parent company’s forgiveness of debt due from a subsidiary is considered a capital contribution by the parent company. As a result, the Company accounted for the losses on debt forgiveness as capital contributions to M3S and M4S by increasing the total cost of investments in subsidiaries by US Dollar 3.7 million and reclassifying the corresponding allowance for doubtful debts of US Dollar 3.7 million to be allowance for impairment in investments in subsidiaries.

	Separate financial statements			
	31	31	31	31
	March 2018 <i>(in thousand US Dollar)</i>	December 2017	March 2018 <i>(in thousand Baht)</i>	December 2017
<i>Short-term loans to related parties</i>				
Subsidiaries	699	62	21,831	2,026
Total	<u>699</u>	<u>62</u>	<u>21,831</u>	<u>2,026</u>

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

Movements during the three-month periods ended 31 March 2018 and 2017 of short-term loans to related parties, excluding interest receivables from related parties, were as follows:

	Separate financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
<i>Subsidiaries</i>				
At 1 January	62	50,627	2,026	1,814,001
Increase	4,470	-	139,606	-
Decrease	(3,833)	-	(119,711)	-
Unrealised gains on exchange	-	2,029	-	71,249
Translation adjustments	-	-	(90)	(71,246)
At 31 March	<u>699</u>	<u>52,656</u>	<u>21,831</u>	<u>1,814,004</u>

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

	Separate financial statements			
	31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
<i>Long-term loans to related party</i>				
Subsidiaries	58,082	55,506	1,814,005	1,813,986
Total	<u>58,082</u>	<u>55,506</u>	<u>1,814,005</u>	<u>1,813,986</u>

Movements during the three-month periods ended 31 March 2018 and 2017 of long-term loans to related parties were as follows:

	Separate financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
<i>Subsidiaries</i>				
At 1 January	55,506	-	1,813,986	-
Unrealised gains on exchange	2,576	-	81,250	-
Translation adjustments	-	-	(81,231)	-
At 31 March	<u>58,082</u>	<u>-</u>	<u>1,814,005</u>	<u>-</u>

During the year ended 31 December 2017, the Company entered into amendment to the secured loan agreement between the Company and a subsidiary. As described in amendment, the loans will be repaid in full on 31 December 2020 or such longer period as agreed by the Company. Accordingly, the Company classified short-term loans to related party of US Dollar 55.5 million to long-term loans to related party. All long-term loans to related party are unsecured.

	Separate financial statements			
	31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
<i>Other accounts payable to related parties</i>				
Parent	6	6	187	196
Subsidiaries	1	1	31	33
Total	<u>7</u>	<u>7</u>	<u>218</u>	<u>229</u>

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

4 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements			
		31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
Joint venture	3	22,064	45,119	689,098	1,474,530
Other parties		10,748	13,683	335,679	447,173
Retention receivables		1,592	1,592	49,721	52,028
Accrued income		2,819	2,338	88,043	76,407
Total		37,223	62,732	1,162,541	2,050,138
<i>Less allowance for doubtful accounts</i>		<i>(585)</i>	<i>(585)</i>	<i>(18,271)</i>	<i>(19,118)</i>
Net		36,638	62,147	1,144,270	2,031,020
Bad and doubtful debts expense for the three-month period ended 31 March		20	-	631	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements			
	31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
Within credit terms	27,960	20,632	873,241	674,272
Overdue:				
Less than 3 months	90	23,238	2,811	759,439
3-6 months	4,755	14,768	148,507	482,632
6-12 months	242	889	7,558	29,053
Over 12 months	2,584	1,613	80,703	52,714
	35,631	61,140	1,112,820	1,998,110
<i>Less allowance for doubtful accounts</i>	<i>(585)</i>	<i>(585)</i>	<i>(18,271)</i>	<i>(19,118)</i>
Net	35,046	60,555	1,094,549	1,978,992
Retention receivables	1,592	1,592	49,721	52,028
Total	36,638	62,147	1,144,270	2,031,020

The normal credit terms granted by the Group ranges from 30 days to 90 days.

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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5 Non-current assets classified as held for sale

Some certain tender rigs are presented as assets held for sale following the commitment of the Group's management on 26 March 2018 to sell these assets because those rigs are not compatible with the Group's business strategies. Efforts to sell the assets have commenced, and a sale is expected by 31 December 2018.

A reversal of allowance for impairment loss of US Dollar 1.8 million or equivalent to Baht 56.8 million on the remeasurement of the disposal group to the lower of its carrying amount and its fair value less cost to sell has been recognised in other income.

Details of assets classified as non-current assets classified as held for sale at the net book value as at 31 March 2018 are as follows:

	<i>Note</i>	Consolidated financial statements	
		31 March 2018 <i>(in thousand US Dollar)</i>	31 March 2018 <i>(in thousand Baht)</i>
Assets			
Property, plant and equipment	8	3,800	118,681
Supplies and spare parts		-	-
Intangible assets		-	-
		3,800	118,681

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6 Investments in associates and joint venture

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
Associates				
At 1 January	88,927	84,359	2,906,214	3,022,642
Share of profits of associates	1,287	1,160	40,593	40,734
Translation adjustments	-	-	(129,261)	(117,238)
At 31 March	90,214	85,519	2,817,546	2,946,138
Joint venture				
At 1 January	2,047	1,965	66,898	70,407
Share of profit of joint venture	9	26	284	913
Translation adjustments	-	-	(2,969)	(2,730)
At 31 March	2,056	1,991	64,213	68,590
Total				
At 1 January	90,974	86,324	2,973,112	3,093,049
Share of net profits of associates and joint venture	1,296	1,186	40,877	41,647
Translation adjustments	-	-	(132,230)	(119,968)
At 31 March	92,270	87,510	2,881,759	3,014,728
Separate financial statements				
<i>Three-month period ended 31 March</i>	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
Joint venture				
At 1 January	213	213	6,961	7,632
Translation adjustments	-	-	(309)	(294)
At 31 March	213	213	6,652	7,338

During the three-month period ended 31 March 2018 there were no acquisitions of investments in associates and joint venture.

Investment in associates

The ultimate parent company and its subsidiaries (outside Thoresen Thai Agencies Public Company Limited and its subsidiaries (“TTA Group”)) of the Group’s associates has began Chapter 11 restructuring proceedings in the US, and has entered into a debt restructuring agreement with the majority of its secured bank lenders. As part of the debt restructuring agreement, the Group’s associates have been granted temporary waiver and forbearance from any defaults which may have arisen under its bank credit facilities. All debts of the Group’s associates are secured by the operating assets of the Group’s associates, and are guaranteed by the ultimate parent company (outside TTA Group) of the Group’s associates.

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Investments in associates and joint venture as at 31 March 2018 and 31 December 2017, and dividend income from those investments for the three-month periods ended 31 March 2018 and 2017 were as follows:

Type of business	Country of incorporation	Ownership interest		Paid-up capital		Consolidated financial statements				Dividend income for the		
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	Cost	Equity	31 March 2018	31 March 2017	31 March 2018	31 March 2017	
		31		31		31 March 2018	31 March 2018	31 December 2017	31 December 2017	31 March 2018	31 March 2017	
Indirect associates												
Asia Offshore												
Drilling Limited ^(A)	Bermuda	33.76	33.76	USD 60 million	USD 60 million	97,582	90,214	97,582	88,927	-	-	-
						<u>97,582</u>	<u>90,214</u>	<u>97,582</u>	<u>88,927</u>	-	-	-
Joint venture												
Zamil Mermaid												
Offshore Services												
Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	2,056	213	2,047	-	-	-
						<u>213</u>	<u>2,056</u>	<u>213</u>	<u>2,047</u>	-	-	-
Total						<u>97,795</u>	<u>92,270</u>	<u>97,795</u>	<u>90,974</u>	-	-	-

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Consolidated financial statements											
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the three-month periods ended
			31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017	
			(%)						<i>(in thousand Baht)</i>		
Indirect associates											
Asia Offshore Drilling Limited ^(A)	Drilling services	Bermuda	33.76	33.76	USD 60 million	USD 60 million	3,047,662	3,189,068	2,817,546	2,906,214	-
							3,047,662	3,189,068	2,817,546	2,906,214	-
Joint venture											
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,652	6,961	64,213	66,898	-
							6,652	6,961	64,213	66,898	-
Total							3,054,314	3,196,029	2,881,759	2,973,112	-

^(A) Asia Offshore Drilling Limited comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

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Joint venture as at 31 March 2018 and 31 December 2017, and dividend income from these investment for the three-month periods ended 31 March 2018 and 2017 were as follows:

Type of business	Country of incorporation	Ownership interest		Paid-up capital		Separate financial statements		Dividend income for the three-month periods ended
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017	
		(%)				<i>(in thousand US Dollar)</i>		
Joint venture								
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	-
Total						213	213	-

Type of business	Country of incorporation	Ownership interest		Paid-up capital		Separate financial statements		Dividend income for the three-month periods ended
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017	
		(%)				<i>(in thousand Baht)</i>		
Joint venture								
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,652	6,961	-
Total						6,652	6,961	-

None of the Company's joint ventures is publicly listed and consequently do not have published price quotations.

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7 Investments in subsidiaries

<i>Three-month period ended 31 March</i>	Separate financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand Baht)</i>	2017 <i>(in thousand Baht)</i>
At 1 January	156,959	192,319	5,129,561	6,890,924
Increase	-	3,658	-	126,018
Reclassified from allowance for doubtful debts	-	(3,658)	-	(126,018)
Translation adjustments	-	-	(227,449)	(265,515)
At 31 March	156,959	192,319	4,902,112	6,625,409

On 5 February 2018, MTR - 3 (Singapore) Pte. Ltd. ("M3S") and MTR - 4 (Singapore) Pte. Ltd. ("M4S"), direct subsidiaries of the Company, were deregistered.

During the three-month period ended 31 March 2018, Mermaid Drilling (Singapore) Pte. Ltd., direct subsidiary of the Company, is in the process of deregistration. As at 31 December 2017, the Company recognized gain on derecognition of assets and liabilities of MDS of US Dollar 0.6 million in other income, and return to shareholder from the liquidation of MDS of US Dollar 36.0 million which offset to other accounts payable.

On 21 February 2017, Seascope Surveys (Thailand) Ltd. ("SST"), an indirect subsidiary of the Company, was liquidated. As a result, US Dollar 0.1 million representing gain in derecognition of assets and liabilities of SST was recognised in other income. Items in other comprehensive income that are not reclassified to profit or loss of US Dollar 0.3 million were recognised directly in equity.

Except for the debt forgiveness as mentioned in Note 3, during the three-month period ended 31 March 2017 there were no acquisitions of investments in subsidiaries.

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Investments in subsidiaries as at 31 March 2018 and 31 December 2017, and dividend income from those investments for the three-month periods ended 31 March 2018 and 2017 were as follows:

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	153,485	153,485	-	-	153,485	153,485	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	14,074	14,074	(10,600)	(10,600)	3,474	3,474	-	-
Mermaid Drilling (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
MTR - 3 (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
MTR - 4 (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			167,559	167,559	(10,600)	(10,600)	156,959	156,959	-	-

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	14,268	14,268	(10,263)	(10,263)	4,005	4,005	-	-
PT Seascope Surveys Indonesia	IDR 7,328 million	IDR 7,328 million	200	200	-	-	200	200	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 350 thousand	-	90	-	-	-	90	-	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	20,400	20,400	(20,400)	(20,400)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	6,255	6,255	(6,255)	(6,255)	-	-	-	-
MTR - 2 Ltd.	THB 350 million	THB 350 million	8,334	8,334	(5,705)	(5,705)	2,629	2,629	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	164	164	(164)	(164)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	USD 40 thousand	USD 40 thousand	40	40	-	-	40	40	-	-
Mermaid International Ventures	USD 100	USD 100	-	-	-	-	-	-	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	7,586	7,586	-	-	7,586	7,586	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd. (formerly Subtech Saudi Arabia Ltd.)	SAR 500 thousand	SAR 500 thousand	386	386	-	-	386	386	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	55	55	-	-	55	55	-	-
Total			57,778	57,688	(42,787)	(42,787)	14,991	14,901	-	-

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	4,793,613	5,016,028	-	-	4,793,613	5,016,028	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	439,556	459,951	(331,057)	(346,418)	108,499	113,533	-	-
Mermaid Drilling (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
MTR - 3 (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
MTR - 4 (Singapore) Pte. Ltd.	-	-	-	-	-	-	-	-	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			5,233,169	5,475,979	(331,057)	(346,418)	4,902,112	5,129,561	-	-

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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	445,615	466,291	(320,532)	(335,404)	125,083	130,887	-	-
PT Seascope Surveys Indonesia	IDR 7,328 million	IDR 7,328 million	6,246	6,536	-	-	6,246	6,536	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 350 thousand	-	2,811	-	-	-	2,811	-	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	637,129	666,690	(637,129)	(666,690)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	195,355	204,419	(195,355)	(204,419)	-	-	-	-
MTR - 2 Ltd.	THB 350 million	THB 350 million	260,286	272,363	(178,177)	(186,445)	82,109	85,918	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	5,122	5,360	(5,122)	(5,360)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	USD 40 thousand	USD 40 thousand	1,249	1,307	-	-	1,249	1,307	-	-
Mermaid International Ventures	USD 100	USD 100	3	3	-	-	3	3	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	236,924	247,917	-	-	236,924	247,917	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd. (formerly Subtech Saudi Arabia Ltd.)	SAR 500 thousand	SAR 500 thousand	12,055	12,615	-	-	12,055	12,615	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	1,718	1,797	-	-	1,718	1,797	-	-
Total			1,804,513	1,885,298	(1,336,315)	(1,398,318)	468,198	486,980	-	-

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8 Property, plant and equipment

8.1) Acquisitions and disposals of property, plant and equipment during the three-month period ended 31 March 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	(in thousand US Dollar)	(in thousand Baht)	(in thousand US Dollar)	(in thousand Baht)
<i>Net book value</i>				
At 1 January 2018	182,872	5,976,422	204	6,667
Additions	3,091	96,537	2	62
Disposals	(15)	(468)	-	-
Depreciation	(4,185)	(132,000)	(19)	(599)
Reversal of impairment loss	1,800	56,774	-	-
Transfer to non-current assets classified as held for sale	(3,800)	(118,681)	-	-
Translation adjustments	-	(264,262)	-	(290)
At 31 March 2018	179,763	5,614,322	187	5,840

8.2) As at 31 March 2018, the Group's property, plant and equipment with a net book value of US Dollar 124.5 million (31 December 2017: US Dollar 126.8 million) were registered to secure short-term and long-term borrowings.

9 Advance payment for investment

During the year ended 31 December 2017, the Company had entered into a share sale and purchase agreement ("SPA") with a third party for the purchase of 49% of the total issued shares in PTGC Co., Ltd., a company incorporated in Cambodia.

During the three-month period ended 31 March 2018, the SPA agreement was amended and the total purchase price per the SPA agreement was revised from US Dollar 19.7 million to US Dollar 21.8 million. As at 31 March 2018, the Company paid an advance payment for the investment, amounting to US Dollar 21.1 million (31 December 2017: US Dollar 17.3 million). The remaining purchase price will be paid once both parties complete the conditions as specified in the agreement.

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10 Long-term borrowings

	Consolidated financial statements			
	31 March 2018 <i>(in thousand US Dollar)</i>	31 December 2017	31 March 2018 <i>(in thousand Baht)</i>	31 December 2017
Current portion	11,890	11,890	371,346	388,576
Long-term portion	64,753	67,725	2,022,353	2,213,314
Total	76,643	79,615	2,393,699	2,601,890

Movements during the three-month periods ended 31 March 2018 and 2017 were as follows:

	Consolidated financial statements			
	2018 <i>(in thousand US Dollar)</i>	2017	2018 <i>(in thousand Baht)</i>	2017
At 1 January	79,615	89,505	2,601,890	3,207,027
Repayments	(3,000)	(2,000)	(93,695)	(68,900)
Amortisation to profit and loss (front end fee)	28	28	883	983
Translation adjustments	-	-	(115,379)	(123,589)
At 31 March	76,643	87,533	2,393,699	3,015,521

Long-term borrowings 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 77.0 million as at 31 March 2018 (31 December 2017: US Dollar 80.0 million) with repayment terms within 8 to 10 years. These borrowings bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 8 and are guaranteed by the Company.

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

11 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Business segments

The Group comprises the following main business segments:

Segment 1	Subsea group
Segment 2	Drilling group
Segment 3	Holding

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2018 and 2017 were as follows:

	Consolidated financial statements				
	For the three-month period ended 31 March 2018				
Subsea group	Drilling group	Holding	Total	Elimination	Group
		<i>(in thousand US Dollar)</i>			
Revenue from rendering of services	17,992	-	17,992	-	17,992
Operating profit (loss)	(10,685)	1,618	(6,442)	(1)	(6,443)
Share of profit of associates and joint venture	9	-	1,296	-	1,296
Finance costs	(920)	-	(920)	1	(919)
Tax expense	(118)	-	(118)	-	(118)
Profit (loss) for the period	(11,714)	1,618	(6,184)	-	(6,184)
Segment assets as at 31 March 2018	308,664	4,955	423,816	737,435	441,068
Segment liabilities as at 31 March 2018	222,097	1,682	13,842	237,621	105,068

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	Consolidated financial statements For the three-month period ended 31 March 2017					
	Subsea group	Drilling group	Holding <i>(in thousand US Dollar)</i>	Total	Elimination	Group
Revenue from rendering of services	36,539	-	-	36,539	-	36,539
Operating profit (loss)	(1,718)	(157)	2,303	428	62	490
Share of profit of associates and joint venture	26	-	1,160	1,186	-	1,186
Finance costs	(872)	-	-	(872)	-	(872)
Tax expense	(59)	-	-	(59)	-	(59)
Profit (loss) for the period	(2,623)	(157)	3,463	683	62	745
Segment assets as at 31 December 2017	319,824	3,223	419,181	742,228	(291,100)	451,128
Segment liabilities as at 31 December 2017	221,956	1,569	13,333	236,858	(127,914)	108,944

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Consolidated financial statements					
For the three-month period ended 31 March 2018					
Subsea group	Drilling group	Holding	Total	Elimination	Group
<i>(in thousand Baht)</i>					
Revenue from rendering of services	567,487	-	567,487	-	567,487
Operating profit (loss)	(337,017)	51,033	(203,189)	(32)	(203,221)
Share of profit of associates and joint venture	284	-	40,877	-	40,877
Finance costs	(29,018)	-	(29,018)	32	(28,986)
Tax expense	(3,722)	-	(3,722)	-	(3,722)
Profit (loss) for the period	(369,473)	51,033	(195,052)	-	(195,052)
Segment assets as at 31 March 2018	9,640,131	154,754	13,236,537	23,031,422	13,755,347
Segment liabilities as at 31 March 2018	6,936,488	52,532	432,311	7,421,331	3,281,462
				(9,256,075)	(4,139,869)

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	Consolidated financial statements For the three-month period ended 31 March 2017					
	Subsea group	Drilling group	Holding <i>(in thousand Baht)</i>	Total <i>(in thousand Baht)</i>	Elimination	Group
Revenue from rendering of services	1,283,071	-	-	1,283,071	-	1,283,071
Operating profit (loss)	(60,328)	(5,513)	80,870	15,029	2,177	17,206
Share of profit of associates and joint venture	913	-	40,734	41,647	-	41,647
Finance costs	(30,620)	-	-	(30,620)	-	(30,620)
Tax expense	(2,072)	-	-	(2,072)	-	(2,072)
Profit (loss) for the period	(92,107)	(5,513)	121,604	23,984	2,177	26,161
Segment assets as at 31 December 2017	10,452,137	105,331	13,699,212	24,256,680	(9,513,410)	14,743,270
Segment liabilities as at 31 December 2017	7,253,723	51,276	435,734	7,740,733	(4,180,345)	3,560,388

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12 Earnings per share

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month period ended 31 March 2018 and 2017 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(6,202)</u>	<u>735</u>	<u>(195,620)</u>	<u>25,810</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u> <i>(in Baht)</i>	<u>1,413,329</u> <i>(in Baht)</i>
Earnings (losses) per share (basic)	<u>(0.0044)</u>	<u>0.0005</u>	<u>(0.1384)</u>	<u>0.0183</u>
<i>Three-month period ended 31 March</i>	Separate financial statements			
	2018 <i>(in thousand US Dollar/ thousand shares)</i>	2017 <i>(in thousand US Dollar/ thousand shares)</i>	2018 <i>(in thousand Baht/ thousand shares)</i>	2017 <i>(in thousand Baht/ thousand shares)</i>
Profit attributable to ordinary shareholders of the Company (basic)	<u>7,252</u>	<u>5,968</u>	<u>228,736</u>	<u>209,567</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u> <i>(in US Dollar)</i>	<u>1,413,329</u> <i>(in Baht)</i>	<u>1,413,329</u> <i>(in Baht)</i>
Earnings per share (basic)	<u>0.0051</u>	<u>0.0042</u>	<u>0.1618</u>	<u>0.1483</u>

13 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value due to their relatively short-term maturity.

	Consolidated financial statements			
	31 March 2018		31 December 2017	
	Carrying amount	Fair value <i>(in thousand US Dollar)</i>	Carrying amount	Fair value
Financial liabilities not measured at fair value				
Long-term borrowings	76,643	73,201	79,615	73,260

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	Consolidated financial statements			
	31 March 2018		31 December 2017	
	Carrying amount	Fair value <i>(in thousand Baht)</i>	Carrying amount	Fair value
Financial liabilities not measured at fair value				
Long-term borrowings	2,393,699	2,286,212	2,601,890	2,394,060

Measurement of fair value

For the purpose of fair value disclosure, the fair values of loans from financial institutions are estimated at the present value of future cash flows, discounted based on the terms and maturity of each loan and using market interest rates for a similar loans at the measurement date.

The fair value measurement for loans from financial institutions as at 31 March 2018 has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

Significant unobservable inputs used in measuring the fair values of loans from financial institutions represented future three-month LIBOR rates.

14 Guarantees

As at 31 March 2018 and 31 December 2017, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements					
	31 March 2018			31 December 2017		
	thousand Baht	thousand USD	thousand QAR	thousand Baht	thousand USD	thousand QAR
Letters of guarantee issued by financial institutions in the normal course of business	15,600	13,526	46	19,990	13,576	46
Guarantee for long-term borrowings of subsidiary to financial institution	-	77,000	-	-	80,000	-

	Separate financial statements				
	31 March 2018		31 December 2017		
	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	8,750
Guarantee for long-term borrowings of subsidiary to financial institution		-	77,000	-	80,000

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15 Commitments with non-related parties

(a) *Capital commitments*

	Consolidated financial statements			
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Purchasing of diving equipment	-	72	-	2,353
Purchasing of investment	735	2,389	22,995	78,075
Total	735	2,461	22,995	80,428

	Separate financial statements			
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Purchasing of investment	735	2,389	22,995	78,075
Total	735	2,389	22,995	78,075

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

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

	Consolidated financial statements			
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	4,997	5,169	156,065	168,928
After one year but within five years	4,570	5,833	142,729	190,628
After five years	650	741	20,301	24,217
Total	10,217	11,743	319,095	383,773

As at 31 March 2018, the Company had various lease agreements for its vessel and office expiring in various periods up to 2024.

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16 Events after the reporting period

Transaction Support Agreement (“TSA”)

On 4 April 2018, Mermaid International Ventures (“MIV”), an indirect subsidiary of the Company, has entered into the TSA with the ultimate parent company (outside Thoresen Thai Agencies Public Company Limited and its subsidiaries (“TTA Group”)) of the Group’s associates. MIV has agreed to the terms of put and call options in respect of MIV’s shares in the Group’s associates in accordance with the terms set out in the TSA, which can summarized as follows:

- (a) MIV will be granted a put option in respect of its shares in Group’s associates, exercisable between 1 October 2019 and 30 September 2020. The valuation for MIV’s shares in Group’s associates shall be based on independent rig brokers and financial expert assessment but subject to a ceiling of USD 125 million.
- (b) The ultimate parent company (outside Thoresen Thai Agencies Public Company Limited and its subsidiaries (“TTA Group”)) of the Group’s associates will be granted a call option in respect of MIV’s shares in Group’s associates, exercisable from 1 October 2020 to 31 March 2021. The valuation for MIV’s shares in Group’s associates shall be based on independent rig brokers and financial expert assessment but subject to a floor price of USD 75 million.

Deregistration of subsidiaries

On 5 April 2018, Mermaid Drilling (Singapore) Pte. Ltd., a direct subsidiary of the Company, was deregistered.