


MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Period Ended 30 September 2019
PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial three-month and nine-month periods ended 30 September.

| | Consolidated financial statements | | Change % |
|---|--|----------------|---------------|
| | Three-month period ended 30 September | | |
| | 2019 | 2018 | |
| | <i>(in thousand US Dollar)</i> | | |
| Revenues | | | |
| Revenues from rendering of services | 26,890 | 29,417 | -8.6% |
| Interest income | 162 | 198 | -18.2% |
| Net gain on foreign exchange | - | 58 | -100.0% |
| Other income | 83 | 380 | -78.2% |
| Total revenues | 27,135 | 30,053 | -9.7% |
| Expenses | | | |
| Costs of rendering of services | 28,331 | 27,184 | 4.2% |
| Administrative expenses | 5,556 | 5,376 | 3.3% |
| Net loss on foreign exchange | 10 | - | 100.0% |
| Finance costs | 800 | 988 | -19.0% |
| Total expenses | 34,697 | 33,548 | 3.4% |
| Share of profit of associates and joint venture | 1,237 | 1,830 | -32.3% |
| Loss before income tax expense | (6,325) | (1,665) | 279.8% |
| Tax expense | 33 | 198 | -83.3% |
| Loss for the period | (6,358) | (1,863) | 241.2% |
| Other comprehensive income: | | | |
| <i>Items that will be not reclassified subsequently to profit or loss</i> | | | |
| Gain on remeasurements of defined benefit plans | 54 | - | 100.0% |
| Other comprehensive income for the period, net of tax | 54 | - | 100.0% |
| Total comprehensive expense for the period | (6,304) | (1,863) | 238.3% |
| Profit (loss) attributable to: | | | |
| Owners of parent | (6,415) | (1,876) | 241.8% |
| Non-controlling interests | 57 | 13 | 338.5% |
| Loss for the period | (6,358) | (1,863) | 241.2% |
| Total comprehensive income (expense) attributable to: | | | |
| Owners of parent | (6,368) | (1,876) | 239.3% |
| Non-controlling interests | 64 | 13 | 392.3% |
| Total comprehensive expense for the period | (6,304) | (1,863) | 238.3% |
| Basic losses per share | <i>(in US Dollar)</i> | | |
| Basic losses per share | (0.0045) | (0.0013) | 246.2% |
| Notes to the income statements | | | |
| Depreciation and amortization | 4,781 | 4,422 | |
| Finance costs | 800 | 988 | |
| Loss from sale of trading securities | 225 | - | |



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| | Consolidated financial statements | | |
|---|--|-----------------|----------------|
| | Nine-month period ended | | |
| | 2019 | 2018 | Change % |
| | 30 September | | |
| | <i>(in thousand US Dollar)</i> | | |
| Revenues | | | |
| Revenues from rendering of services | 77,505 | 68,938 | 12.4% |
| Interest income | 548 | 482 | 13.7% |
| Net gain on foreign exchange | 223 | 258 | -13.6% |
| Other income | 298 | 2,596 | -88.5% |
| Total revenues | 78,574 | 72,274 | 8.7% |
| Expenses | | | |
| Costs of rendering of services | 79,765 | 74,202 | 7.5% |
| Administrative expenses | 16,063 | 16,601 | -3.2% |
| Finance costs | 2,669 | 2,917 | -8.5% |
| Total expenses | 98,497 | 93,720 | 5.1% |
| Share of profit of associates and joint venture | 3,660 | 6,139 | -40.3% |
| Loss before income tax expense | (16,263) | (15,307) | 6.2% |
| Tax expense | 505 | 436 | 15.8% |
| Loss for the period | (16,768) | (15,743) | 6.5% |
| Other comprehensive income: | | | |
| <i>Items that will be not reclassified subsequently to profit or loss</i> | | | |
| Gain on remeasurements of defined benefit plans | 54 | - | 100% |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translating financial statements | 1 | 2 | -50.0% |
| Other comprehensive income for the period, net of tax | 55 | 2 | 2650.0% |
| Total comprehensive expense for the period | (16,713) | (15,741) | 6.2% |
| Profit (loss) attributable to: | | | |
| Owners of parent | (16,811) | (15,781) | 6.5% |
| Non-controlling interests | 43 | 38 | 13.2% |
| Loss for the period | (16,768) | (15,743) | 6.5% |
| Total comprehensive income (expense) attributable to: | | | |
| Owners of parent | (16,763) | (15,779) | 6.2% |
| Non-controlling interests | 50 | 38 | 31.6% |
| Total comprehensive expense for the period | (16,713) | (15,741) | 6.2% |
| Basic losses per share | <i>(in US Dollar)</i> | | |
| Basic losses per share | (0.0119) | (0.0112) | 6.3% |
| Notes to the income statements | | | |
| Depreciation and amortization | 14,490 | 13,204 | |
| Finance costs | 2,669 | 2,917 | |
| Reversal of impairment losses on property, plant and equipment | - | (1,800) | |



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1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| Assets | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|---------------------|--------------------------------------|---------------------|
| | 30 September 2019 | 31 December 2018 | 30 September 2019 | 31 December 2018 |
| | <i>(in thousand US Dollar)</i> | | <i>(in thousand US Dollar)</i> | |
| <i>Current assets</i> | | | | |
| Cash and cash equivalents | 19,890 | 36,484 | 5,014 | 1,752 |
| Current investments | 15,533 | 18,036 | - | - |
| Trade accounts receivable | 47,047 | 35,924 | - | - |
| Other accounts receivable | 12,021 | 7,067 | 150,463 | 141,141 |
| Supplies and spare parts | 992 | 1,384 | - | - |
| Short-term loans to related parties | - | - | 15,500 | 16,800 |
| Total current assets | 95,483 | 98,895 | 170,977 | 159,693 |
| <i>Non-current assets</i> | | | | |
| Restricted deposit at financial institutions | 11,277 | 14,550 | - | 4,375 |
| Investments in associates | 123,037 | 119,423 | 22,507 | 22,507 |
| Investments in joint venture | 2,166 | 2,120 | 213 | 213 |
| Investments in subsidiaries | - | - | 156,959 | 156,959 |
| Investment properties | 551 | 588 | 1,873 | 2,013 |
| Long-term loan to related party | - | - | 59,297 | 55,902 |
| Property, plant and equipment | 156,259 | 169,429 | 129 | 146 |
| Goodwill | 2,066 | 2,066 | 14 | 21 |
| Intangible assets | 67 | 114 | - | - |
| Deferred tax assets | 2,281 | 2,281 | 21 | 21 |
| Other non-current assets | 155 | 125 | 25 | 11 |
| Total non-current assets | 297,859 | 310,696 | 241,038 | 242,168 |
| Total assets | 393,342 | 409,591 | 412,015 | 401,861 |



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| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|---|--|---|
| | 30 September 2019 <i>(in thousand US Dollar)</i> | 31 December 2018 <i>(in thousand US Dollar)</i> | 30 September 2019 <i>(in thousand US Dollar)</i> | 31 December 2018 <i>(in thousand US Dollar)</i> |
| Liabilities and equity | | | | |
| <i>Current liabilities</i> | | | | |
| Trade accounts payable | 7,899 | 5,201 | - | - |
| Other accounts payable | 25,068 | 18,992 | 616 | 745 |
| Current portion of long-term borrowings | 11,953 | 15,890 | - | - |
| Current portion of finance lease liabilities | 43 | 47 | - | - |
| Current income tax payable | 565 | 194 | - | - |
| Total current liabilities | 45,528 | 40,324 | 616 | 745 |
| <i>Non-current liabilities</i> | | | | |
| Long-term borrowings | 46,834 | 51,835 | - | - |
| Finance lease liabilities | 44 | 40 | - | - |
| Provisions for employee benefits | 2,761 | 2,504 | 177 | 105 |
| Total non-current liabilities | 49,639 | 54,379 | 177 | 105 |
| Total liabilities | 95,167 | 94,703 | 793 | 850 |
| <i>Equity</i> | | | | |
| Share capital | | | | |
| Authorized share capital | - | - | - | - |
| Issued and paid share capital | 47,322 | 47,322 | 47,322 | 47,322 |
| Share premium on ordinary shares | 343,536 | 343,536 | 343,536 | 343,536 |
| Differences arising from common control transactions | - | - | (7,406) | (7,406) |
| Retained earnings (Deficit) | | | | |
| Unappropriated (Deficit) | (90,009) | (73,245) | 27,742 | 17,531 |
| Other components of equity | (2,196) | (2,197) | 28 | 28 |
| Equity attributable to owners of the parent | 298,653 | 315,416 | 411,222 | 401,011 |
| Non-controlling interests | (478) | (528) | - | - |
| Total equity | 298,175 | 314,888 | 411,222 | 401,011 |
| Total liabilities and equity | 393,342 | 409,591 | 412,015 | 401,861 |



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

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

| | As at 30 September 2019 | | |
|--|--------------------------------|------------------|----------------|
| | Secured | Unsecured | Total |
| | USD'000 | USD'000 | USD'000 |
| Amount repayable in one year or less, or on demand (*) | 11,996 | - | 11,996 |
| Amount repayable after one year | 46,878 | - | 46,878 |

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

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

As at 30 September 2019, the Group’s property, plant and equipment with a net book value of US Dollar 112.9 million (*31 December 2018: US Dollar 121.6 million*) were registered to secure short-term and long-term facilities with financial institutions.

As at 30 September 2019, US Dollar 8.9 million (*31 December 2018: US Dollar 8.3 million*) of restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payment.

As at 30 September 2019, US Dollar 2.4 million (*31 December 2018: US Dollar 1.9 million*) of restricted deposit at a financial institution was deposited by subsidiaries to secure the performance guarantee from the financial institution.



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

| | Consolidated financial statements | |
|---|--|----------------|
| | Nine-month period ended | |
| | 30 September | |
| | 2019 | 2018 |
| | <i>(in thousand US Dollar)</i> | |
| <i>Cash flows from operating activities</i> | | |
| Loss for the period | (16,768) | (15,743) |
| <i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i> | | |
| Tax expense | 505 | 436 |
| Finance costs | 2,669 | 2,917 |
| Depreciation | 14,443 | 13,127 |
| Amortisation | 47 | 77 |
| Reversal of impairment losses on assets | - | (1,800) |
| Unrealised loss (gain) on exchange | (167) | 317 |
| Loss (gain) from revaluation of trading securities | 703 | (140) |
| Loss from sale of trading securities | 225 | - |
| Share of profit of associates and joint venture, net of tax | (3,660) | (6,139) |
| Bad and doubtful debts expenses | 27 | 20 |
| Losses on supplies and spare parts devaluation | - | 277 |
| Gains on disposals of property, plant and equipment | - | (241) |
| Interest income | (548) | (482) |
| Provision for employee benefits | 353 | 241 |
| Loss from write-off non-refundable withholding tax | 1,161 | 867 |
| | <u>(1,010)</u> | <u>(6,266)</u> |
| <i>Changes in operating assets and liabilities</i> | | |
| Restricted deposit at financial institutions | 3,273 | (2,279) |
| Trade accounts receivable | (11,154) | 10,019 |
| Other accounts receivable | (4,978) | (3,750) |
| Supplies and spare parts | 392 | 239 |
| Other non-current assets | (30) | 10 |
| Trade accounts payable | 2,711 | 2,481 |
| Other accounts payable | 5,085 | (278) |
| Exchange rate losses from translating financial statements | 1 | 2 |
| | <u>(5,710)</u> | <u>178</u> |
| Net cash generated from (used in) operating activities | (5,710) | 178 |
| Provision for employee benefit paid | (42) | (144) |
| Taxes paid | (181) | (206) |
| | <u>(5,933)</u> | <u>(172)</u> |
| Net cash used in operating activities | (5,933) | (172) |

**MERMAID MARITIME PUBLIC COMPANY LIMITED**

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Consolidated financial statements

Nine-month period ended

30 September

2019 2018

*(in thousand US Dollar)****Cash flows from investing activities***

| | | |
|---|------------|-----------------|
| Proceed from sale of current investments | 3,575 | - |
| Acquisition of current investments | (2,000) | (17,800) |
| Acquisition of investment in associate | - | (5,232) |
| Proceeds from sale of property, plant and equipment | 24 | 4,044 |
| Acquisition of property, plant and equipment | (1,438) | (6,227) |
| Interest received | 600 | 446 |
| Net cash generated from (used in) investing activities | 761 | (24,769) |

Cash flows from financing activities

| | | |
|--|-----------------|-----------------|
| Repayment of borrowings | (9,000) | (9,000) |
| Finance costs paid | (2,642) | (2,834) |
| Net cash used in financing activities | (11,642) | (11,834) |
| Net decrease in cash and cash equivalents, before effect of exchange rates | (16,814) | (36,775) |
| Effect of exchange rates changes on cash and cash equivalents | 220 | (316) |
| Net decrease in cash and cash equivalents | (16,594) | (37,091) |
| Cash and cash equivalents at beginning of period | 36,484 | 68,692 |
| Cash and cash equivalents at ending of period | 19,890 | 31,601 |

Non-cash transactions

| | | |
|--|----|--------|
| Receivables for sales of property, plant and equipment | - | 24 |
| Payables for purchase of property, plant and equipment | 71 | 550 |
| Transfer of advance payment for investment to investment in associates | - | 17,275 |



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

| | Consolidated financial statements | | | | | | | | | | |
|--|-------------------------------------|--|------------------|----------|---|------------------------|--------------------------------------|---|--|----------------------------------|-----------------|
| | | | | | Other components of equity | | | | | | |
| | | | | | Retained earnings/(Deficit) | | | | | | |
| | Issued and paid share capital | Share premium on ordinary shares | Legal reserve | Deficit | Translation of financial statements | Share-based payment | Changes in ownership interests | Total other components of equity | attributable to owners of parent | Non- controlling interests | Total equity |
| <i>(in thousand US Dollar)</i> | | | | | | | | | | | |
| Nine-month period ended 30 September 2019 | | | | | | | | | | | |
| Balance at 1 January 2019 | 47,322 | 343,536 | - | (73,245) | 1,195 | 28 | (3,420) | (2,197) | 315,416 | (528) | 314,888 |
| Comprehensive income (expense) for the period | | | | | | | | | | | |
| Profit of loss | - | - | - | (16,811) | - | - | - | - | (16,811) | 43 | (16,768) |
| Gain on remeasurements of defined benefit plans | - | - | - | 47 | - | - | - | - | 47 | 7 | 54 |
| Exchange differences on translating financial statements | - | - | - | - | 1 | - | - | 1 | 1 | - | 1 |
| Total comprehensive income (expense) for the period | - | - | - | (16,764) | 1 | - | - | 1 | (16,763) | 50 | (16,713) |
| Balance at 30 September 2019 | 47,322 | 343,536 | - | (90,009) | 1,196 | 28 | (3,420) | (2,196) | 298,653 | (478) | 298,175 |



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Consolidated financial statements

| | <u>Retained earnings/(Deficit)</u> | | | | <u>Other components of equity</u> | | | Total of equity | Equity attributable to owners of parent | Non- controlling interests | Total equity |
|--|-------------------------------------|--|------------------|-----------------|---|------------------------|--------------------------------------|--------------------|--|----------------------------------|-----------------|
| | Issued and paid share capital | Share premium on ordinary shares | Legal reserve | Deficit | Translation of financial statements | Share-based payment | Changes in ownership interests | | | | |
| <i>(in thousand US Dollar)</i> | | | | | | | | | | | |
| Nine-month period ended 30 September 2018 | | | | | | | | | | | |
| Balance at 1 January 2018 | 47,322 | 343,536 | - | (46,052) | 1,193 | 28 | (3,420) | (2,199) | 342,607 | (423) | 342,184 |
| Comprehensive income (expense) for the period | | | | | | | | | | | |
| Profit or loss | - | - | - | (15,781) | - | - | - | - | (15,781) | 38 | (15,743) |
| Exchange differences on translating financial statements | - | - | - | - | 2 | - | - | 2 | 2 | - | 2 |
| Total comprehensive income (expense) for the period | - | - | - | (15,781) | 2 | - | - | 2 | (15,779) | 38 | (15,741) |
| Balance at 30 September 2018 | 47,322 | 343,536 | - | (61,833) | 1,195 | 28 | (3,420) | (2,197) | 326,828 | (385) | 326,443 |



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Separate financial statements

| | Issued and paid share capital | Share premium on ordinary shares | Differences arising from common control transactions | Retained earnings | | Other components of equity | Total equity |
|--|-------------------------------------|--|--|-------------------|----------------|-------------------------------|-----------------|
| | | | | Legal reserve | Unappropriated | Share-based payment | |
| <i>(in thousand US Dollar)</i> | | | | | | | |
| Nine-month period ended 30 September 2019 | | | | | | | |
| Balance at 1 January 2019 | 47,322 | 343,536 | (7,406) | - | 17,531 | 28 | 401,011 |
| Comprehensive income (expense) for the period | | | | | | | |
| Profit | - | - | - | - | 10,217 | - | 10,217 |
| Loss on remeasurements of defined benefit plans | - | - | - | - | (6) | - | (6) |
| Total comprehensive income for the period | - | - | - | - | 10,211 | - | 10,211 |
| Balance at 30 September 2019 | 47,322 | 343,536 | (7,406) | - | 27,742 | 28 | 411,222 |



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Separate financial statements

| | Issued and paid share capital | Share premium on ordinary shares | Differences arising from common control transactions | Retained earnings | | Other components of equity | Total equity |
|---|-------------------------------------|--|--|-------------------|----------------|-------------------------------|-----------------|
| | | | | Legal reserve | Unappropriated | Share-based payment | |
| <i>(in thousand US Dollar)</i> | | | | | | | |
| Nine-month period ended 30 September 2018 | | | | | | | |
| Balance at 1 January 2018 | 47,322 | 343,536 | (7,406) | - | 18,546 | 28 | 402,026 |
| Comprehensive expense for the period | | | | | | | |
| Loss | - | - | - | - | (125) | - | (125) |
| Total comprehensive expense for the period | - | - | - | - | (125) | - | (125) |
| Balance at 30 September 2018 | 47,322 | 343,536 | (7,406) | - | 18,421 | 28 | 401,901 |



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

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

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

As at 30 September 2019 and 31 December 2018, the issued and paid-up ordinary shares of the Company were 1,413,329,000 shares with a par value of Baht 1 per share.

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

Not applicable.

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

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have been prepared in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and reviewed by the Company's auditor, KPMG Phoomchai Audit Limited.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The Independent Auditor's Report on Review of Interim Financial Information is on pages 1 of the interim consolidated and the Company financial statements for the three-month and nine-month periods ended on 30 September 2019, which are reported together with this announcement and available on the SGX's website and the Company's website.



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

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

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

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

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

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

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month and nine-month periods ended 30 September 2019 and 2018 were based on the loss for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

| <i>Three-month period ended 30 September</i> | Consolidated financial statements | | | |
|---|---|---|--|--|
| | 2019 <i>(in thousand US Dollar/ thousand shares)</i> | 2018 <i>(in thousand US Dollar/ thousand shares)</i> | 2019 <i>(in thousand Baht/ thousand shares)</i> | 2018 <i>(in thousand Baht/ thousand shares)</i> |
| Loss attributable to ordinary shareholders of the Company (basic) | <u>(6,415)</u> | <u>(1,876)</u> | <u>(197,021)</u> | <u>(61,858)</u> |
| Number of ordinary shares outstanding (basic) | <u>1,413,329</u> | <u>1,413,329</u> | <u>1,413,329</u> | <u>1,413,329</u> |
| Losses per share (basic) | <u>(0.0045)</u> | <u>(0.0013)</u> | <u>(0.1394)</u> | <u>(0.0438)</u> |
| | Consolidated financial statements | | | |
| <i>Nine-month period ended 30 September</i> | 2019 <i>(in thousand US Dollar/ thousand shares)</i> | 2018 <i>(in thousand US Dollar/ thousand shares)</i> | 2019 <i>(in thousand Baht/ thousand shares)</i> | 2018 <i>(in thousand Baht/ thousand shares)</i> |
| Loss attributable to ordinary shareholders of the Company (basic) | <u>(16,811)</u> | <u>(15,781)</u> | <u>(525,521)</u> | <u>(503,331)</u> |
| Number of ordinary shares outstanding (basic) | <u>1,413,329</u> | <u>1,413,329</u> | <u>1,413,329</u> | <u>1,413,329</u> |
| Losses per share (basic) | <u>(0.0119)</u> | <u>(0.0112)</u> | <u>(0.3718)</u> | <u>(0.3561)</u> |



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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and**
- (b) immediately preceding financial year.**

| | Consolidated | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 30-Sep-19 USD | 31-Dec-18 USD | 30-Sep-19 USD | 31-Dec-18 USD |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of the respective year | | | | |
| - Ordinary share (Basic) | 0.21 | 0.22 | 0.29 | 0.28 |

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

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

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

Business Segment Analysis

Subsea Group reported service income for the three-months period ended 30 September 2019 of US Dollar 26.9 million, a decrease of US Dollar 2.5 million or approximately 8.5% compared to US Dollar 29.4 million of the corresponding period. This was primarily due to a lower utilization of performing vessels in this quarter.

Subsea Group generated gross loss for the three-months period ended 30 September 2019 of US Dollar 1.5 million, a decrease of US Dollar 3.7 million compared to gross profit US Dollar 2.2 million of the corresponding period. This was primarily due to the lower utilization of vessels.

Subsea Group reported loss before finance costs and income tax expense for the three-months period ended 30 September 2019 of US Dollar 6.4 million, an increase of US Dollar 2.7 million compared to US Dollar 3.7 million of the corresponding period, as a result of the lower utilization of vessels.

Consolidated Income Statements

The Group recorded service income for the three-months period ended 30 September 2019 of US Dollar 26.9 million, a decrease of US Dollar 2.5 million or approximately 8.5% compared to US Dollar 29.4 million of the corresponding period.

The Group reported a gross loss for the three-months period ended 30 September 2019 of US Dollar 1.4 million, a decrease of US Dollar 3.6 million compared to gross profit US Dollar 2.2 million for the corresponding period.



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The Group recorded administrative expenses for the three-months period ended 30 September 2019 of US Dollar 5.6 million, an increase of US Dollar 0.2 million compared to US Dollar 5.4 million for the corresponding period.

Share of Investments in Associate and jointly-controlled entity

The share of profits from AOD* investment for the three-months period ended 30 September 2019 was US Dollar 1.2 million, a decrease of US Dollar 0.7 million compared to the share profits of US Dollar 1.9 million in corresponding period.

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

Loss for the period

As a result, the Group reported net loss for the three-months period ended 30 September 2019 of US Dollar 6.4 million, an increase of US Dollar 4.5 million compared to US Dollar 1.9 million as reported in the last three months period ended 30 September 2018.

Consolidated Balance Sheets

Current assets as at 30 September 2019 were US Dollar 95.5 million, a decrease of US Dollar 3.4 million or 3.4% compared to US Dollar 98.9 million as at 31 December 2018. The decreased was primarily due to a decreased in cash and cash equivalent and current investments of US Dollar 16.6 million and US Dollar 2.5 million, respectively. It was offset against increase in trade accounts receivable of US Dollar 11.1 million which is in line with increase in revenue from services and increase in other accounts receivable US Dollar 4.9 million.

Non-current assets as at 30 September 2019 were US Dollar 297.9 million, a decrease of US Dollar 12.8 million or 4.1% compared to US Dollar 310.7 million as at 31 December 2018. The decrease was primarily due to a decrease in properties, plant and equipment of US Dollar 13.2 million mainly from depreciation during the period.

Current liabilities as at 30 September 2019 were US Dollar 45.5 million, an increase of US Dollar 5.2 million or 12.9% compared to US Dollar 40.3 million as at 31 December 2018. The increase was primarily due to an increase in trade and other accounts payable of US Dollar 2.7 million and US Dollar 6.1 million, respectively. While current portion of long-term borrowings decreased US Dollar 3.9 million due from a repayment during period offset against reclassification from long-term borrowings.

Non-current liabilities as at 30 September 2019 were US Dollar 49.6 million, a decrease of US Dollar 4.8 million or 8.8% compared to US Dollar 54.4 million as at 31 December 2018. The decrease was mainly due to a reclassify to current portion of long-term borrowings.

Equity as at 30 September 2019 was US Dollar 298.2 million, a decrease of US Dollar 16.7 million or 5.3% compared to US Dollar 314.9 million as at 31 December 2018. This was mainly due to loss for the nine-months period ended 30 September 2019.



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Working Capital

The Company's working capital as at 30 September 2019 was US Dollar 50.0 million, a decrease of US Dollar 8.6 million or approximately 14.7% compared to US Dollar 58.6 million as at 31 December 2018.

Consolidated Cash Flow Statements

The Group had net cash used in operating activities for the nine-months period ended 30 September 2019 of US Dollar 5.9 million which mainly from increased in trade accounts receivable and other accounts receivable.

The Group had net cash generated from investing activities for the nine-months period ended 30 September 2019 of US Dollar 0.8 million which was primarily due to a proceed from sale of current investments of US Dollar 6.1 million offset with acquisition of current investments US Dollar 4.5 million and interest received of US Dollar 0.6 million.

The Group had net cash used in financing activities for the nine-months period ended 30 September 2019 of US Dollar 11.6 million, primarily due to the repayment of long-term borrowings to financial institutions and finance cost paid.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Brent oil prices began in September at \$61 per barrel and increased to \$68 per barrel after the attacks on major Saudi Arabian oil infrastructures which disrupted the country's crude oil production. During October then Brent oil price fell to \$58 per barrel as concerns over oil demand and the ongoing state of the global economy increased.

According to Bloomberg the industry has been burdened in 2019 by weakening demand amid a "synchronized slowdown", which has pressured producers and forced major players to adopt supply-cutting policies. It appears that production cuts have not been able to override the downward trend of oil pricing. One of the biggest headwinds to global growth and upside movement in crude oil prices is the US-China trade war. Efforts towards reaching a meaningful trade arrangement continues to be difficult between the two countries. China has also expressed its doubt over the possibility of arranging a long-term trade deal with the US.

Non-OPEC supply growth is expected to be supported by start-ups of several fields in 2020, including Norway's Johan Sverdrup as well as assets in Lula, Lapa, Lara and the Buzios fields in Brazil. However, factors such as the drive for capex discipline, geopolitical tensions,



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unplanned outages, extended field maintenance, delays in infrastructure debottlenecking, as well as oil price developments will remain the key uncertainties affecting supply growth.

According to Rystad Energy, lower oil prices will push the global service market into a recession in 2020. In 2020, if Brent oil prices are \$60 per barrel, service market growth will fall to \$621 billion, down from \$647 billion in 2019.

In analysing market segments, Rystad contends that the Shale segment will likely drag down oilfield services purchases as it contracts by six percent in 2020. The offshore segment will decline by one percent as oil companies cut brownfield and exploration activity to curb spending and onshore activity will see revenues drop by five percent as OPEC scales back investments.

However, due to the existing backlog, some service segments can still realize positive revenue growth. Subsea equipment, SURF (subsea umbilical's, risers, and flowlines) and offshore drilling can still accelerate in 2020, but growth will fall from the double-digits to the single-digits. Despite near-term declines, Rystad anticipates a positive outlook for the global oilfield services sector beyond 2020.

There remains to be highly competitive pricing landscape for Mermaid within its DSV IRM and ROV segments. Mermaid continues to adjust its capabilities in offering a wider range of integrated subsea services and increasing its fleet capability by venturing into new markets in the Mediterranean, Gulf of Suez, Red Sea and North Sea.

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

Cash preservation remains a top priority for the Group. The Company continued to execute its cost savings program to counter the impact of the market challenging whilst aiming to maintain safety, quality and efficiency.

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

The current status is that 'AOD I' is on contract through to June 2022, 'AOD II' is on contract through to April 2020 and 'AOD III' on contract through to December 2019. The jack-up market remains a challenging one and competition remains fierce. During this time, AOD's focus shall continue to be on retaining gainful employment for all three rigs with its existing customer into the long term and to operate all rigs at optimal levels.



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

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

No dividend has been declared during the period.

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

Not applicable.

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

No dividend has been declared during the corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no mandate from shareholders for IPTs. Nevertheless, the details of the aggregate value of interested person transactions of the Company for the period that ended on 30 September 2019 is as follows:



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| Mermaid Maritime Public Company Limited | | |
|---|---|---|
| Reviewed transaction for the nine-months period ended on 30 September 2019 | | |
| Interested persons transactions for the nine-months period ended on 30 September 2019 | | |
| Name of interested persons | Aggregate value of all interested persons transactions during the period that ended on 30 September 2019 under review (excluding transactions less than US Dollar 100,000* and transactions conducted under Shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested persons transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than US Dollar 100,000*) |
| | USD'000 | USD'000 |
| Service income | - | - |
| Cost of services | - | - |

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the third quarter that ended on 30 September 2019 of the Group and the Company to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

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