

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

Financial statements for the year ended
31 December 2019
and
Independent auditor's report



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Independent Auditor's Report

To the shareholders of Mermaid Maritime Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries (the "Group") and of Mermaid Maritime Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. **B**



The impairment testing of property, plant and equipment, goodwill, investment in subsidiaries and associates	
Refer to Notes 4, 12, 13, 14, and 15 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As the exploration and offshore businesses are in downturn which influenced the expenditure of the Group's customers on oil and gas exploration and production activities, which resulted in lower utilisation and day rate for subsea and offshore services. This is an indicator of impairment of property, plant and equipment, goodwill and investment in associates in the consolidated financial statements, and of investment in subsidiaries in the separate financial statements.</p> <p>To determine the recoverable amount of a vessel, management considered the higher of the vessel's value-in-use and its fair value less costs to sell.</p> <p>Management used the work of an independent valuer to evaluate the fair value less costs to sell of certain vessels.</p> <p>Management also used the discounted cash flow forecast method to estimate the value-in-use. In estimating the valuation, there are assumptions used for the estimation of future cash flows such as future profit, useful life and discounted rate to be applied for the basis of assessing the valuation which contains inherent uncertainty. Therefore, this is a key area of judgment on which my audit was focused.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • making inquiries of management and obtaining related documents to understand the process by which management has derived its value-in-use estimates; • comparing forecast revenues to those achieved in prior periods; • evaluating the discounted cash flow forecast methodology and key assumptions applies in estimating the discount rate, such as cost of debt; • performing sensitivity tests by carrying key assumptions; • assessing the competency and independence of management's fair value less costs to sell valuer; and • considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.
Recognition of deferred tax assets	
Refer to Notes 4 and 24 to the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has recognised deferred tax assets, mainly arising from the tax losses carried forward at Mermaid Subsea Services (Thailand) Ltd. ("MSST") which expire in multiple years, and by 2023.</p> <p>In assessing the valuation of deferred tax assets, there is inherent uncertainty in the forecasting of future taxable profitability of MSST, and hence utilisation of tax losses carried forward before expiry. Therefore, this is a key area of judgment on which my audit was focused.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • making inquiries of management and obtaining related documents to understand the process by which management has derived its future taxable profits forecast estimates; • comparing future taxable profits forecast to those achieved in prior periods; • evaluating the forecast methodology and key assumptions applies; and • considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

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Early adoption of TFRS 9	
Refer to Note 3 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has early adopted TFRS 9 <i>Financial Instruments</i> from 1 January 2019 under the modified retrospective approach.</p> <p>As the early adoption of TFRS 9 <i>Financial Instruments</i> affected the classification and measurement financial assets and liabilities, the assessment of expected credit losses (“ECL”), which under the simplified approach, involves significant management judgment, including the estimates of probability of default, loss given default, discount rate, and adjustments for forward-looking information, and the results might have had a significant impact to the consolidated and separate financial statements, this is a focus area in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • assessing the design, implementation, and operating effectiveness of key internal controls related to the classification, measurement and impairment of financial instruments; • selecting samples to test the classification of financial instruments at the date of initial application by assessing their contractual cash flow characteristics through reading the relevant supporting documents in relation to the business models in which they are held; • selecting samples to test the basis of measurement of financial assets and liabilities, evaluating the accuracy of their balances, and assessing the appropriateness of the valuation methods and key parameters used to value financial assets and liabilities measured at fair value; • selecting samples to test the ECL estimated by management by testing the data inputs used and evaluating the forward-looking information applied; • testing the aging of trade accounts receivable, and considering any subsequent receipts; and • considering the adequacy of the Group’s disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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



In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

B



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to be 'B. Tangpakorn', written in a cursive style.

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2020

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

Consolidated financial statements					
Assets	<i>Note</i>	31 December		31 December	
		2019	2018	2019	2018
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current assets</i>					
Cash and cash equivalents	7	22,496	36,484	678,344	1,183,899
Current investments	8	12,207	18,036	368,090	585,265
Trade accounts receivable	6, 9	42,237	35,924	1,273,615	1,165,727
Other accounts receivable	10	5,801	7,067	174,923	229,323
Short-term loan to related party	6	5,371	-	161,957	-
Supplies and spare parts		619	1,384	18,665	44,911
Total current assets		88,731	98,895	2,675,594	3,209,125
<i>Non-current assets</i>					
Restricted deposit at financial institutions	11	11,268	14,550	339,775	472,145
Investment in associates	12	122,360	119,423	3,689,643	3,875,252
Investment in joint venture	12	1,577	2,120	47,553	68,794
Investment properties		539	588	16,253	19,080
Property, plant and equipment	14	145,207	169,429	4,378,572	5,497,937
Goodwill	15	2,066	2,066	62,298	67,041
Intangible assets		55	114	1,658	3,699
Deferred tax assets	24	2,139	2,281	64,499	74,018
Other non-current assets		106	125	3,196	4,056
Total non-current assets		285,317	310,696	8,603,447	10,082,022
Total assets		374,048	409,591	11,279,041	13,291,147

The accompanying notes form an integral part of the financial statements.

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

		Consolidated financial statements			
		31 December		31 December	
Liabilities and equity	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>					
Short-term borrowings from financial institutions	<i>16</i>	244	-	7,358	-
Trade accounts payable	<i>6</i>	8,250	5,201	248,771	168,771
Other accounts payable	<i>6</i>	20,021	18,992	603,714	616,287
Current portion of long-term borrowings	<i>16</i>	11,953	15,890	360,431	515,627
Current portion of finance lease liabilities	<i>16</i>	-	47	-	1,525
Current income tax payable		692	194	20,867	6,295
Total current liabilities		41,160	40,324	1,241,141	1,308,505
<i>Non-current liabilities</i>					
Long-term borrowings	<i>16</i>	43,846	51,835	1,322,132	1,682,035
Finance lease liabilities	<i>16</i>	-	40	-	1,298
Provisions for employee benefits	<i>17</i>	2,049	2,504	61,786	81,254
Total non-current liabilities		45,895	54,379	1,383,918	1,764,587
Total liabilities		87,055	94,703	2,625,059	3,073,092

The accompanying notes form an integral part of the financial statements.

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

		Consolidated financial statements			
		31 December		31 December	
Liabilities and equity	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Equity					
Share capital:					
Authorized share capital					
<i>(1,416,700,697 ordinary shares, par value at Baht 1 per share)</i>		-	-	1,416,701	1,416,701
Issued and paid share capital					
<i>(1,413,328,857 ordinary shares, par value at Baht 1 per share)</i>		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	18	343,536	343,536	12,271,678	12,271,678
Deficit		(101,337)	(73,245)	(5,132,025)	(4,256,628)
Other components of equity	19	(2,196)	(2,197)	116,872	811,475
Equity attributable to owners of the parent		287,325	315,416	8,669,854	10,239,854
Non-controlling interests		(332)	(528)	(15,872)	(21,799)
Total equity		286,993	314,888	8,653,982	10,218,055
Total liabilities and equity		374,048	409,591	11,279,041	13,291,147

The accompanying notes form an integral part of the financial statements.

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

		Separate financial statements			
Assets	<i>Note</i>	31 December		31 December	
		2019	2018	2019	2018
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Current assets</i>					
Cash and cash equivalents	<i>7</i>	3,875	1,752	116,847	56,852
Other accounts receivable	<i>10</i>	122,498	141,141	3,693,804	4,579,998
Short-term loans to related parties	<i>6</i>	49,945	16,800	1,506,041	545,157
Total current assets		176,318	159,693	5,316,692	5,182,007
<i>Non-current assets</i>					
Restricted deposit at financial institutions	<i>11</i>	-	4,375	-	141,968
Investment in associate	<i>12</i>	22,507	22,507	678,676	730,348
Investment in joint venture	<i>12</i>	213	213	6,423	6,912
Investments in subsidiaries	<i>13</i>	156,959	156,959	4,732,942	5,093,288
Investment properties		1,826	2,013	55,061	65,321
Long-term loan to related party	<i>6</i>	-	55,902	-	1,814,009
Property, plant and equipment	<i>14</i>	115	146	3,468	4,738
Intangible assets		12	21	362	681
Deferred tax assets	<i>24</i>	48	21	1,447	681
Other non-current assets		24	11	724	357
Total non-current assets		181,704	242,168	5,479,103	7,858,303
Total assets		358,022	401,861	10,795,795	13,040,310

The accompanying notes form an integral part of the financial statements.

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

		Separate financial statements			
		31 December		31 December	
Liabilities and equity	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current liabilities					
Other accounts payable	6	750	745	22,615	24,175
Total current liabilities		750	745	22,615	24,175
Non-current liabilities					
Provisions for employee benefits	17	242	105	7,297	3,407
Total non-current liabilities		242	105	7,297	3,407
Total liabilities		992	850	29,912	27,582
Equity					
Share capital:					
Authorized share capital					
<i>(1,416,700,697 ordinary shares, par value at Baht 1 per share)</i>					
		-	-	1,416,701	1,416,701
Issued and paid share capital					
<i>(1,413,328,857 ordinary shares, par value at Baht 1 per share)</i>					
		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	18	343,536	343,536	12,271,678	12,271,678
Differences arising from common control transactions	19	(7,406)	(7,406)	(239,757)	(239,757)
Deficit		(26,450)	17,531	(2,317,057)	(881,206)
Other components of equity	19	28	28	(362,310)	448,684
Total equity		357,030	401,011	10,765,883	13,012,728
Total liabilities and equity		358,022	401,861	10,795,795	13,040,310

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of comprehensive income

Consolidated financial statements					
	Year ended 31 December		Year ended 31 December		
<i>Note</i>	2019	2018	2019	2018	
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
Revenue					
Revenue from rendering of services	6	105,933	94,760	3,286,044	3,071,858
Interest income		655	701	20,413	22,727
Net gain on foreign exchange		226	78	7,146	2,163
Other income	6	895	2,622	27,419	83,305
Total revenue		107,709	98,161	3,341,022	3,180,053
Expenses					
Costs of rendering of services	21	109,052	103,768	3,382,182	3,358,726
Administrative expenses	6, 22	23,657	24,982	732,584	808,652
Finance costs		3,397	3,897	105,673	125,955
Total expenses		136,106	132,647	4,220,439	4,293,333
Share of profit of associates and joint venture		4,756	8,062	147,742	260,479
Loss before income tax expense		(23,641)	(26,424)	(731,675)	(852,801)
Tax expense	24	575	874	18,046	28,453
Loss for the year		(24,216)	(27,298)	(749,721)	(881,254)
Other comprehensive expense					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		1	2	32	64
Translation adjustments		-	-	(694,635)	(83,637)
Items that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans	24	(2)	-	(62)	-
Other comprehensive income (expense) for the year, net of tax		(1)	2	(694,665)	(83,573)
Total comprehensive expense for the year		(24,217)	(27,296)	(1,444,386)	(964,827)

The accompanying notes form an integral part of the financial statements.

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

Consolidated financial statements				
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Profit (loss) attributable to:				
Owners of parent	(24,258)	(27,193)	(751,000)	(877,782)
Non-controlling interests	42	(105)	1,279	(3,472)
Loss for the year	<u>(24,216)</u>	<u>(27,298)</u>	<u>(749,721)</u>	<u>(881,254)</u>
Total comprehensive income (expense)				
attributable to:				
Owners of parent	(24,266)	(27,191)	(1,445,880)	(961,355)
Non-controlling interests	49	(105)	1,494	(3,472)
Total comprehensive expense	<u>(24,217)</u>	<u>(27,296)</u>	<u>(1,444,386)</u>	<u>(964,827)</u>
Basic losses per share				
	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic losses per share	25 (0.0172)	(0.0192)	(0.5314)	(0.6211)

The accompanying notes form an integral part of the financial statements.

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

		Separate financial statements				
		Year ended 31 December		Year ended 31 December		
<i>Note</i>		2019	2018	2019	2018	
		<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
Revenue						
	Management fee income	6	534	360	16,579	11,632
	Interest income	6	1,167	1,150	36,207	37,125
	Net gain on foreign exchange		14,677	1,199	458,887	39,252
	Other income	6	328	365	10,176	11,811
	Total revenue		16,706	3,074	521,849	99,820
Expenses						
	Administrative expenses	6, 22	6,728	4,093	206,695	131,938
	Total expenses		6,728	4,093	206,695	131,938
	Profit (loss) before income tax expense		9,978	(1,019)	315,154	(32,118)
	Tax income	24	(29)	(4)	(878)	(131)
	Profit (loss) for the year		10,007	(1,015)	316,032	(31,987)
Other comprehensive expense						
<i>Items that will be reclassified subsequently to profit or loss</i>						
	Translation adjustments		-	-	(810,994)	(93,856)
<i>Items that will not be reclassified to profit or loss</i>						
	Loss on remeasurement of defined benefit plans		(14)	-	(436)	-
	Other comprehensive expense for the year, net of tax		(14)	-	(811,430)	(93,856)
	Total comprehensive income (expense) for the year		9,993	(1,015)	(495,398)	(125,843)
Basic earnings (losses) per share						
			<i>(in US Dollar)</i>		<i>(in Baht)</i>	
	Basic earnings (losses) per share	25	0.0071	(0.0007)	0.2236	(0.0226)

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements										
	Retained earnings/(Deficit)				Other components of 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	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Year ended 31 December 2018	47,322	343,536	-	(46,052)	1,193	28	(3,420)	(2,199)	342,607	(423)	342,184
Balance at 1 January 2018	-	-	-	(27,193)	-	-	-	-	(27,193)	(105)	(27,298)
Comprehensive income (expense) for the year	-	-	-	-	2	-	-	2	2	-	2
Loss	-	-	-	(27,193)	2	-	-	2	(27,191)	(105)	(27,296)
Exchange differences on translating financial statements	-	-	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888
Total comprehensive income (expense) for the year	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888
Balance at 31 December 2018	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888

(in thousand US Dollar)

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements										
	Retained earnings/(Deficit)					Other components of 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	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Year ended 31 December 2019											
Balance at 31 December 2018 - as reported	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888
Impact of changes in accounting policies	-	-	-	(3,825)	-	-	-	-	(3,825)	-	(3,825)
Balance at 1 January 2019 - restated	47,322	343,536	-	(77,070)	1,195	28	(3,420)	(2,197)	311,591	(528)	311,063
<i>(in thousand US Dollar)</i>											
Transactions with owners, recorded directly in equity											
<i>Changes in ownership interests in subsidiaries</i>											
Disposal of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	147	147
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	147	147
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	147	147
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(24,258)	-	-	-	-	(24,258)	42	(24,216)
Gain (loss) on remeasurement of defined benefit plans	-	-	-	(9)	-	-	-	-	(9)	7	(2)
Exchange differences on translating financial statements	-	-	-	-	1	-	-	1	1	-	1
Total comprehensive income (expense) for the year	-	-	-	(24,267)	1	-	-	1	(24,266)	49	(24,217)
Balance at 31 December 2019	47,322	343,536	-	(101,337)	1,196	28	(3,420)	(2,196)	287,325	(332)	286,993

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements											
	Retained earnings/(Deficit)					Other components of equity					Total equity	
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests		
Year ended 31 December 2018												
Balance at 1 January 2018	1,413,329	12,271,678	-	(3,378,846)	1,015,337	874	(121,163)	895,048	11,201,209	(18,327)	11,182,882	
Comprehensive income (expense) for the year												
Loss	-	-	-	(877,782)	-	-	-	-	(877,782)	(3,472)	(881,254)	
Exchange differences on translating financial statements	-	-	-	-	64	-	-	64	64	-	64	
Translation adjustments	-	-	-	-	(83,637)	-	-	(83,637)	(83,637)	-	(83,637)	
Total comprehensive income (expense) for the year	-	-	-	(877,782)	(83,573)	-	-	(83,573)	(961,355)	(3,472)	(964,827)	
Balance at 31 December 2018	1,413,329	12,271,678	-	(4,256,628)	931,764	874	(121,163)	811,475	10,239,854	(21,799)	10,218,055	

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements										
	Retained earnings/(Deficit)					Other components of 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	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Year ended 31 December 2019											
Balance at 31 December 2018 - as reported	1,413,329	12,271,678	-	(4,256,628)	931,764	874	(121,163)	811,475	10,239,854	(21,799)	10,218,055
Impact of changes in accounting policies	-	-	-	(124,120)	-	-	-	-	(124,120)	-	(124,120)
Balance at 1 January 2019 - restated	1,413,329	12,271,678	-	(4,380,748)	931,764	874	(121,163)	811,475	10,115,734	(21,799)	10,093,935
<i>(in thousand Baht)</i>											
Transactions with owners, recorded directly in equity											
<i>Changes in ownership interests in subsidiaries</i>											
Disposal of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	4,433	4,433
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	4,433	4,433
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	4,433	4,433
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(751,000)	-	-	-	-	(751,000)	1,279	(749,721)
Gain (loss) on remeasurement of defined benefit plan	-	-	-	(277)	-	-	-	-	(277)	215	(62)
Exchange differences on translating financial statements	-	-	-	-	32	-	-	32	32	-	32
Translation adjustments	-	-	-	-	(694,635)	-	-	(694,635)	(694,635)	-	(694,635)
Total comprehensive income (expense) for the year	-	-	-	(751,277)	(694,603)	-	-	(694,603)	(1,445,880)	1,494	(1,444,386)
Balance at 31 December 2019	1,413,329	12,271,678	-	(5,132,025)	237,161	874	(121,163)	116,872	8,669,854	(15,872)	8,653,982

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	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		
Year ended 31 December 2018	47,322	343,536	(7,406)	-	18,546	28	402,026
Balance at 1 January 2018	-	-	-	-	(1,015)	-	(1,015)
Comprehensive expense for the year	-	-	-	-	(1,015)	-	(1,015)
Loss	-	-	-	-	(1,015)	-	(1,015)
Total comprehensive expense for the year	47,322	343,536	(7,406)	-	17,531	28	401,011
Balance at 31 December 2018	-	-	-	-	(1,015)	-	(1,015)

(in thousand US Dollar)

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements							Total equity
		Differences arising from common control transactions			Retained earnings		Other components of equity		
					Legal reserve	Unappropriated	Share-based payment		
Note	Issued and paid share capital	Share premium on ordinary shares	Share premium on ordinary shares	Differences arising from common control transactions	Legal reserve	Unappropriated	Share-based payment		
<i>(in thousand US Dollar)</i>									
	Year ended 31 December 2019								
		47,322	343,536	(7,406)	-	17,531	28	401,011	
	Balance at 31 December 2018 - as reported								
		-	-	-	-	(53,974)	-	(53,974)	
	Impact of changes in accounting policies								
		47,322	343,536	(7,406)	-	(36,443)	28	347,037	
	Balance at 1 January 2019 - restated								
	Comprehensive income (expense) for the year								
		-	-	-	-	10,007	-	10,007	
	Profit								
		-	-	-	-	(14)	-	(14)	
	Loss on remeasurement of defined benefit plans								
		-	-	-	-	9,993	-	9,993	
	Total comprehensive income for the year								
		47,322	343,536	(7,406)	-	(26,450)	28	357,030	
	Balance at 31 December 2019								

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	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	Translation of financial statements		Share-based payment		
Year ended 31 December 2018									
Balance at 1 January 2018	1,413,329	12,271,678	(239,757)	-	(849,219)	874	541,666	542,540	13,138,571
Comprehensive expense for the year									
Loss	-	-	-	-	(31,987)	-	-	-	(31,987)
Translation adjustments	-	-	-	-	-	-	(93,856)	(93,856)	(93,856)
Total comprehensive expense for the year	-	-	-	-	(31,987)	-	(93,856)	(93,856)	(125,843)
Balance at 31 December 2018	1,413,329	12,271,678	(239,757)	-	(881,206)	874	447,810	448,684	13,012,728

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements							Total equity
	Retained earnings/(Deficit)			Other components of equity			Total equity	
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Translation of financial statements	Share-based payment	Total other components of equity		
<i>Note</i>								
Year ended 31 December 2019								
Balance at 31 December 2018 - as reported	1,413,329	12,271,678	(239,757)	447,810	874	448,684	13,012,728	
Impact of changes in accounting policies	-	-	-	-	-	-	(1,751,447)	
Balance at 1 January 2019 - restated	1,413,329	12,271,678	(239,757)	447,810	874	448,684	11,261,281	
Comprehensive income (expense) for the year								
Profit	-	-	-	-	-	-	316,032	
Loss on remeasurement of defined benefit plans	-	-	-	-	-	-	(436)	
Translation adjustments	-	-	-	(810,994)	-	(810,994)	(810,994)	
Total comprehensive income (expense) for the year	-	-	-	(810,994)	-	(810,994)	(495,398)	
Balance at 31 December 2019	1,413,329	12,271,678	(239,757)	(363,184)	874	(362,310)	10,765,883	

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements				
	<i>Note</i>	Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>		
<i>Cash flows from operating activities</i>					
Loss for the year		(24,216)	(27,298)	(749,721)	(881,254)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>					
Tax expense		575	874	18,046	28,453
Finance costs		3,397	3,897	105,673	125,955
Depreciation		19,119	18,201	593,746	588,525
Amortisation		58	99	1,808	3,196
(Reversal of) impairment losses on assets		5,057	(1,800)	153,116	(56,774)
Unrealised loss (gain) on exchange		(121)	391	(3,935)	12,264
Loss (gain) from revaluation of trading securities		29	(236)	1,561	(7,736)
Loss from sale of trading securities		592	-	18,022	-
Share of profit of associates and joint venture, net of tax		(4,756)	(8,062)	(147,742)	(260,479)
Bad and doubtful debts expenses		21	2,253	647	73,901
(Reversal of) losses on supplies and spare parts devaluation		(277)	277	(8,387)	8,841
Gains on disposals and write-offs of property, plant and equipment and intangible assets		(7)	(241)	(212)	(7,597)
Gain from loss of control in a subsidiary		(701)	-	(21,225)	-
Interest income		(655)	(701)	(20,413)	(22,727)
Provision for employee benefits		550	448	16,864	14,554
Loss from write-off non-refundable withholding tax		1,547	1,703	48,060	55,397
		<u>212</u>	<u>(10,195)</u>	<u>5,908</u>	<u>(325,481)</u>
<i>Changes in operating assets and liabilities</i>					
Restricted deposit at financial institutions		2,809	(1,748)	84,703	(56,722)
Trade accounts receivable		(8,450)	23,994	(254,801)	778,601
Other accounts receivable		(2,840)	2,171	(85,638)	70,449
Supplies and spare parts		1,042	267	31,420	8,664
Other non-current assets		(28)	77	(844)	2,499
Trade accounts payable		2,502	413	75,445	13,401
Other accounts payable		2,765	(4,227)	83,377	(137,165)
Exchange rate losses from translating financial statements		1	2	32	64
Translation adjustments		-	-	(80,140)	(22,055)
Net cash generated from (used in) operating activities		<u>(1,987)</u>	<u>10,754</u>	<u>(140,538)</u>	<u>332,255</u>
Provision for employee benefit paid		(42)	(188)	(1,317)	(6,040)
Taxes paid		(374)	(687)	(11,549)	(22,414)
Net cash from (used in) operating activities		<u>(2,403)</u>	<u>9,879</u>	<u>(153,404)</u>	<u>303,801</u>

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows

Consolidated financial statements				
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>				
Proceed from sale of current investments	7,208	-	217,350	-
Acquisition of current investments	(2,000)	(17,800)	(60,308)	(577,605)
Acquisition of investment in associate	-	(5,232)	-	(169,778)
Proceeds from sale of property, plant and equipment	24	4,045	724	131,259
Acquisition of property, plant and equipment and intangible assets	(1,515)	(7,547)	(45,683)	(244,899)
Interest received	703	667	21,198	21,644
Net cash from (used in) investing activities	<u>4,420</u>	<u>(25,867)</u>	<u>133,281</u>	<u>(839,379)</u>
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institution	244	-	7,358	-
Repayment of borrowings	(12,000)	(12,000)	(361,848)	(389,398)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	-	(60)	-	(1,947)
Finance costs paid	(3,351)	(3,767)	(104,239)	(121,736)
Net cash used in financing activities	<u>(15,107)</u>	<u>(15,827)</u>	<u>(458,729)</u>	<u>(513,081)</u>
Net decrease in cash and cash equivalents, before effect of exchange rates	(13,090)	(31,815)	(478,852)	(1,048,659)
Net cash effect from loss of control in a subsidiary	5 (1,102)	-	(33,230)	-
Effect of exchange rates changes on cash and cash equivalents	204	(393)	6,527	(12,358)
Net decrease in cash and cash equivalents	<u>(13,988)</u>	<u>(32,208)</u>	<u>(505,555)</u>	<u>(1,061,017)</u>
Cash and cash equivalents at beginning of year	36,484	68,692	1,183,899	2,244,916
Cash and cash equivalents at ending of year	<u>22,496</u>	<u>36,484</u>	<u>678,344</u>	<u>1,183,899</u>
<i>Non-cash transactions</i>				
Receivables for sales of property, plant and equipment	7	24	211	779
Payables for purchase of property, plant and equipment and intangible assets	242	276	7,297	8,956
Finance lease agreements for purchases of equipment	-	87	-	2,823
Transfer of advance payment of investment to investment in associates	-	17,275	-	560,570

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statement of cash flows

	Separate financial statements			
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	10,007	(1,015)	316,032	(31,987)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(29)	(4)	(878)	(131)
(Reversal of) depreciation	254	(27)	7,884	(1,120)
Amortization	9	21	282	676
Unrealised gain on exchange	(14,558)	(1,188)	(455,204)	(38,894)
(Reversal of) bad and doubtful debts expenses	2,662	(67)	80,600	(2,209)
Provision for employee benefits	126	18	3,851	582
Interest income	(1,167)	(1,150)	(36,207)	(37,125)
	<u>(2,696)</u>	<u>(3,412)</u>	<u>(83,640)</u>	<u>(110,208)</u>
<i>Changes in operating assets and liabilities</i>				
Restricted deposit at financial institution	4,375	-	131,924	-
Receivables from related parties	(957)	1,623	(28,857)	52,666
Other accounts receivable	31	(111)	934	(3,602)
Other non-current assets	(13)	38	(392)	1,233
Other accounts payable	4	157	121	5,095
Translation adjustments	-	-	(1,665)	(6,381)
Net cash from (used in) operating activities	<u>744</u>	<u>(1,705)</u>	<u>18,425</u>	<u>(61,197)</u>
Taxes paid	(46)	(55)	(1,430)	(1,772)
Net cash from (used in) operating activities	<u>698</u>	<u>(1,760)</u>	<u>16,995</u>	<u>(62,969)</u>
<i>Cash flows from investing activities</i>				
Acquisition of investment in associate	-	(5,232)	-	(169,778)
Increased in short-term loans to related party	-	(21,986)	-	(713,441)
Proceeds from repayment of short-term loans to related party	1,300	5,248	39,200	170,297
Acquisition of property, plant and equipment	(35)	(15)	(1,055)	(487)
Interest received	39	142	1,176	4,608
Net cash from (used in) investing activities	<u>1,304</u>	<u>(21,843)</u>	<u>39,321</u>	<u>(708,801)</u>
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	2,002	(23,603)	56,316	(771,770)
Effects of exchange rate changes on cash and cash equivalents	121	(15)	3,679	(492)
Net increase (decrease) in cash and cash equivalents	<u>2,123</u>	<u>(23,618)</u>	<u>59,995</u>	<u>(772,262)</u>
Cash and cash equivalents at beginning of year	1,752	25,370	56,852	829,114
Cash and cash equivalents at ending of year	<u>3,875</u>	<u>1,752</u>	<u>116,847</u>	<u>56,852</u>
<i>Non-cash transactions</i>				
Transfer of advance payment for investment to investment in associate	-	17,275	-	560,570

The accompanying notes form an integral part of the financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2020.

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 Company’s registered office 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 operations of a fleet of offshore service vessels and tender drilling rigs.

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

Details of the Company’s subsidiaries, associates, and joint venture as at 31 December 2019 and 2018 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2019	31 December 2018
<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 follow;	Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry	Singapore	100.0	100.0
PT Seascope Surveys Indonesia	”	Indonesia	-	49.0 ⁽¹⁾
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	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	95.0
MTR - 2 Ltd.	”	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd. ⁽³⁾	”	Malaysia	95.0	95.0
MTR - 1 (Singapore) Pte. Ltd. ⁽⁴⁾	”	Singapore	-	95.0

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2019	31 December 2018
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.	”	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>Associates</i>				
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00
<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 (Malaysia) Sdn. Bhd. has been registered for the liquidation.
- (4) MTR - 1 (Singapore) Pte. Ltd. was deregistered on 1 October 2019.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 4(t).

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 31.

(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 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. The basis of the translation from the functional currency (US Dollar) to the presentation currency (Thai Baht) is disclosed in Note 4(b).

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- | | |
|----------------|---|
| 3, 4(t) and 20 | Revenue recognition: |
| | • whether performance obligations in a bundled sale of products and services are capable of being distinct; |

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|----------------|--|
| 3, 4(t) and 20 | Revenue recognition: estimate of expected returns |
| 9 | Measurement of allowance for doubtful debt of trade accounts receivable and impairment of contract asset; |
| 14 and 15 | Impairment test: key assumptions underlying recoverable amounts; |
| 17 | Measurement of defined benefit obligations: key actuarial assumptions; |
| 24 | Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised. |

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

3 Changes in accounting policies

TFRS - Financial instruments standards

The Group has early adopted the set of Financial instruments standards which are the following:

TFRS	Topic
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has adopted these accounting policies from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS – Financial instruments standards are as follows:

(i) *Classification and measurement – Financial assets*

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

For an explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under TFRS 9, see Note 4(k).

The following table and the accompanying notes below present change in classification categories under TAS 105 and the new classification categories under TFRS 9 for each class of the Group financial assets and financial liabilities as at 1 January 2019.

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	Classification at 31 December 2018	New classification under TFRS 9	Gross carrying amount at 31 December 2018	New gross carrying amount at 1 January 2019	Gross carrying amount at 31 December 2018	New gross carrying amount at 1 January 2019
			<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Consolidated financial statements						
Financial assets						
Cash and cash equivalents	-	Amortised cost	36,484	36,484	1,183,899	1,183,899
Equity securities held for trading	-	FVTPL	6,236	6,236	202,357	202,357
Other debt securities held to maturity	-	Amortised cost	11,800	11,800	382,908	382,908
Trade accounts receivable	-	Amortised cost	38,742	38,742	1,257,171	1,257,171
Other accounts receivable	-	Amortised cost	7,067	7,067	229,323	229,323
Restricted deposit at financial institutions	-	Amortised cost	14,550	14,550	472,145	472,145
Total financial assets			114,879	114,879	3,727,803	3,727,803
Financial liabilities						
Trade accounts payable	-	Amortised cost	(5,201)	(5,201)	(168,771)	(168,771)
Other accounts payable	-	Amortised cost	(18,992)	(18,992)	(616,287)	(616,287)
Long-term borrowings	-	Amortised cost	(67,725)	(67,725)	(2,197,662)	(2,197,662)
Finance lease liabilities	-	Amortised cost	(87)	(87)	(2,823)	(2,823)
Total financial liabilities			(92,005)	(92,005)	(2,985,543)	(2,985,543)
Separate financial statements						
	Classification at 31 December 2018	New classification under TFRS 9	Gross carrying amount at 31 December 2018	New gross carrying amount at 1 January 2019	Gross carrying amount at 31 December 2018	New gross carrying amount at 1 January 2019
			<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Financial assets						
Cash and cash equivalents	-	Amortised cost	1,752	1,752	56,852	56,852
Other accounts receivable	-	Amortised cost	142,434	142,434	4,621,955	4,621,955
Short-term loans to related parties	-	Amortised cost	16,800	16,800	545,157	545,157
Restricted deposit at financial institutions	-	Amortised cost	4,375	4,375	141,968	141,968
Total financial assets			165,361	165,361	5,365,932	5,365,932
Financial liabilities						
Other accounts payable	-	Amortised cost	(745)	(745)	(24,175)	(24,175)
Total financial liabilities			(745)	(745)	(24,175)	(24,175)

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(ii) *Impairment – Financial assets and contract assets*

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments

Information on ECLs as at 1 January and 31 December 2019 is disclosed in note 26.

(iii) *Classification – Financial liabilities*

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative, or designated as such on initial recognition.

Transition

The Group has initially adopted TFRS 9 by adjusting the impact to retained earnings or other component of equity on 1 January 2019. The impact from applying TFRS 9 on the financial statements is as follows:

<i>Statements of financial position</i>	Consolidated financial statements					
	As previously reported	Adjustments	As adjusted	As previously reported	Adjustments	As adjusted
	<i>(in thousand US Dollar)</i>			<i>(in thousand Baht)</i>		
At 1 January 2019						
Assets						
Current assets						
Trade accounts receivable	35,924	(1,463)	34,461	1,165,727	(47,474)	1,118,253
Others	62,971	-	62,971	2,043,398	-	2,043,398
Total current assets	98,895	(1,463)	97,432	3,209,125	(47,474)	3,161,651
Non-current assets						
Investment in associates	119,423	(2,362)	117,061	3,875,252	(76,646)	3,798,606
Others	191,273	-	191,273	6,206,770	-	6,206,770
Total non-current assets	310,696	(2,362)	308,334	10,082,022	(76,646)	10,005,376
Total assets	409,591	(3,825)	405,766	13,291,147	(124,120)	13,167,027
Liabilities						
Total liabilities	94,703	-	94,703	3,073,092	-	3,073,092
Equity						
Total equity	314,888	(3,825)	311,063	10,218,055	(124,120)	10,093,935
Total liabilities and equity	409,591	(3,825)	405,766	13,291,147	(124,120)	13,167,027

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<i>Statements of financial position</i>	Separate financial statements					
	As previously reported	Adjustments <i>(in thousand US Dollar)</i>	As adjusted	As previously reported	Adjustments <i>(in thousand Baht)</i>	As adjusted
At 1 January 2019						
Assets						
Current assets						
Other account receivable	141,141	(32,125)	109,016	4,579,998	(1,042,451)	3,537,547
Short-term loan to related parties	16,800	(2,109)	14,691	545,157	(68,437)	476,720
Others	1,752	-	1,752	56,852	-	56,852
Total current assets	159,693	(34,234)	125,459	5,182,007	(1,110,888)	4,071,119
Non-current assets						
Long-term loan to related party	55,902	(19,740)	36,162	1,814,009	(640,559)	1,173,450
Others	186,266	-	186,266	6,044,294	-	6,044,294
Total non-current assets	242,168	(19,740)	222,428	7,858,303	(640,559)	7,217,744
Total assets	401,861	(53,974)	347,887	13,040,310	(1,751,447)	11,288,863
Liabilities						
Total liabilities	850	-	850	27,582	-	27,582
Equity						
Total equity	401,011	(53,974)	347,037	13,012,728	(1,751,447)	11,261,281
Total liabilities and equity	401,861	(53,974)	347,887	13,040,310	(1,751,447)	11,288,863

4 Significant accounting policies

The accounting policies set out below have been applied to all periods presented in these financial statements, unless stated otherwise.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

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

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Group companies

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

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of the statement of financial position;

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(b) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

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

(c) *Cash and cash equivalents*

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

Restricted deposit

Deposit that have a restriction of use are presented separately in account "Restricted Deposit at financial institution" in the statement of financial position.

(d) *Trade and other accounts receivable and a contract asset*

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(e) *Supplies and spare parts*

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts are stated at the lower of cost and net realisable value. Bunker supplies are determined on a first-in, first-out basis. Vessel supplies and spare parts are determined on a weighted average basis. Supplies and spare parts are determined on a weighted average basis.

(f) *Investments*

Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investment in joint ventures and associates in the consolidated financial statements are accounted for using the equity method.

Investment in other debt and equity securities

Accounting policies for investment in other debt and equity securities in 2019

Information about the Group's accounting policies relating to investment in other debt and equity securities is disclosed in note 4(k).

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Accounting policies for investment in other debt and equity securities in 2018

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

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

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

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
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No depreciation is provided on freehold land or assets under construction.

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Notes to the financial statements

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(h) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

Buildings and building improvement	10 and 20 years
Offshore support vessels	5 to 30 years
Second-hand tender rigs	5 to 20 years
Motor launches	10 years
Dry-docking	2.5 and 5 years
Tools and equipment	3 to 20 years
Office equipment	3 to 5 years
Motor vehicles	5 to 10 years

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

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

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

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

(i) *Contract cost assets*

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs. However, the incremental costs of obtaining a contract are expensed when incurred, if the expected amortisation period is one year or less.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the term of the contract it relates to, consistent with the related revenue recognition.

(j) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

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

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

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

(k) *Financial instruments*

Accounting policies for financial instruments in 2019

(i) Recognition and initial measurement

Financial assets (other than trade and other accounts receivable without a significant financing component and contract assets mentioned in note 4(d)) and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Such financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial liabilities are initially measured at fair value less directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial asset

On initial recognition, a financial asset is classified as subsequently measured at: amortised cost, FVOCI or ; FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- (b) it is held within a business model whose objective is achieved by to holding the assets to collect contractual cash flows.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- (a) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- (b) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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All financial assets not classified as measured at amortised cost or FVOCI or FVOCI as described above, including investments in equity instruments, are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets measured at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets measured at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities

The Group financial liabilities are classified as subsequently measured at amortised cost.

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

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(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(l) Impairment

(i) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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Reversals of impairment

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

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

(ii) Financial assets

Accounting policies for impairment in 2019

Financial instruments, trade and other accounts receivable and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and contract assets (as defined in TFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- (a) debt securities that are determined to have low credit risk at the reporting date; and
- (b) other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets which under the simplified approach are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or when the Group has taken legal action against the counterparty.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- (a) significant financial difficulty of the borrower or issuer;
- (b) a breach of contract such as a default or being more than 180 days past due;
- (c) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- (d) it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(m) *Interest-bearing liabilities*

Accounting policies for interest-bearing liabilities in 2019

Information about the Group's accounting policies relating to interest-bearing liabilities for 2019 is disclosed in note 4(k).

Accounting policies for interest-bearing liabilities in 2018

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

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(n) Trade and other accounts payable

Accounting policies for trade and other accounts payable in 2019

Information about the Group's accounting policies relating to trade and other accounts payable for 2019 is disclosed in note 4(k).

Accounting policies for trade and other accounts payable in 2018

Trade and other accounts payable are stated at cost.

(o) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(q) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(r) *Provisions*

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

(s) *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's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- *Level 3*: inputs for the asset or liability that are based on 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.

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(t) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rendering of services

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognized in profit or loss when they are incurred.

Accounting policies for revenue recognition in 2018

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

Rendering of services

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

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

(u) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(v) Finance costs

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

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

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(w) Lease payments

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(x) Income tax

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(y) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(z) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(aa) *Segment reporting*

Segment results that are reported to the Group's Chief Operation Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5 Loss of control in a subsidiary

The consolidated financial statements for the year ended 31 December 2019 have been prepared based on loss of control of PT Seascope Surveys Indonesia (“PTSSI”). As at 31 December 2019, the Group remains engaged in a number of legal proceedings regarding the ownership of share capital and management of the affairs of PTSSI. The outcome of these disputes remain uncertain and the process likely to be protracted. In the course of the disputes, management have not received relevant financial information from PTSSI as at and for the year ended 31 December 2019 and therefore the Group assesses that there is a loss of control over PTSSI at this time and to deconsolidate PTSSI from the consolidated financial statements. The Group recognises an investment in PTSSI as an other long-term investment under other non-current assets measured at fair value, other accounts receivable due from PTSSI, short-term loan to related party and trade accounts payable due to PTSSI in the consolidated statement of financial position as at 31 December 2019. As a result, the Group recognises gain from loss of control in a subsidiary in the consolidated statement of comprehensive income for the year ended 31 December 2019 in amount of US Dollar 0.7 million or equivalent to Baht 21.2 million.

The effect of loss of control of this subsidiary at the loss of control date were summarised as below

		Consolidated financial statements	
	<i>Note</i>	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
<i>Derecognised in assets and liabilities</i>			
Cash and cash equivalents		(1,102)	(33,230)
Trade accounts receivable		(572)	(17,305)
Other accounts receivable		(4,871)	(146,979)
Restricted deposit at financial institutions		(473)	(14,322)
Property, plant and equipment	14	(1,527)	(46,044)
Deferred tax assets		(227)	(6,870)
Other non-current assets		(47)	(1,423)
Trade accounts payable		64	1,932
Other accounts payable		2,610	79,020
Finance lease liabilities		87	2,636
		(6,058)	(182,585)
Carrying amounts of net assets and liabilities			
<i>Less non-controlling interests</i>		(147)	(4,433)
Carrying amounts of interest in subsidiary		(6,205)	(187,018)
<i>Recognised in assets and liabilities</i>			
Other accounts receivable	6	2,143	64,620
Short-term loans to related party	6	5,371	161,957
Other non-current assets		-	-
Trade accounts payable	6	(608)	(18,334)
		6,906	208,243
Gain from loss of control in a subsidiary		701	21,225

6 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 12 and 13. Other related parties which the group had significant transaction during the period with were as follows;

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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
PSM Land Company Limited	Thailand	One of the director of ultimate parent company is a major shareholder
Natural Bev Co., Ltd.	Thailand	One of the director of ultimate parent company is a major shareholder
Key management personnel	Thai	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 years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Parent				
Rental income	-	53	-	1,713
Administrative expenses	83	84	2,575	2,707
Joint venture				
Rendering of services	62,252	56,562	1,930,499	1,829,131
Costs of rendering of services	5	-	154	-
Administrative expenses	62	-	1,904	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	1,670	1,250	51,768	40,375
Post-employment benefits	25	2	777	73
Total key management personnel compensation	<u>1,695</u>	<u>1,252</u>	<u>52,545</u>	<u>40,448</u>
Other related parties				
Administrative expenses	64	45	1,987	1,480

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<i>Year ended 31 December</i>	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Parent				
Rental income	-	53	-	1,713
Administrative expenses	83	84	2,575	2,707
Subsidiaries				
Management fee income	534	360	16,579	11,632
Interest income	1,126	1,027	34,949	33,230
Rental income	-	234	-	7,557
Other income	322	75	9,995	2,422
Administrative expenses (reduction)	10	(54)	310	(1,785)
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	1,670	1,250	51,768	40,375
Post-employment benefits	25	2	777	73
Total key management personnel compensation	<u>1,695</u>	<u>1,252</u>	<u>52,545</u>	<u>40,448</u>
Other related parties				
Other administrative expenses	63	45	1,956	1,480

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Trade accounts receivable				
Joint venture	<u>11,924</u>	<u>20,269</u>	<u>359,556</u>	<u>657,725</u>
Net	<u>11,924</u>	<u>20,269</u>	<u>359,556</u>	<u>657,725</u>
Other accounts receivables				
Parent	-	13	-	422
Associates	12	1	362	32
Other related parties	<u>7,543</u>	<u>-</u>	<u>227,451</u>	<u>-</u>
	7,555	14	227,813	454
Less allowance for doubtful account	<u>(5,400)</u>	<u>-</u>	<u>(162,831)</u>	<u>-</u>
Net	<u>2,155</u>	<u>14</u>	<u>64,982</u>	<u>454</u>
Bad and doubtful debts expense for the year	<u>5,400</u>	<u>-</u>	<u>163,501</u>	<u>-</u>

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Short - term loans to related party				
Other related parties	18,350	-	553,326	-
Less allowance for doubtful account	<u>(12,979)</u>	<u>-</u>	<u>(391,369)</u>	<u>-</u>
Total	<u>5,371</u>	<u>-</u>	<u>161,957</u>	<u>-</u>

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Movements during the years ended 31 December of short-term loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate 31 December (% per annum)	Consolidated financial statements			31 December 2019
		31 December 2018	Increase (in thousand US Dollar)	Impairment	
Other related parties	1.50	-	18,350	(12,979)	5,371
Total		<u>-</u>			<u>5,371</u>

	Interest rate 31 December (% per annum)	Consolidated financial statements				31 December 2019
		31 December 2018	Increase	Impairment (in thousand Baht)	Translation adjustment	
Other related parties	1.50	-	553,326	(392,978)	1,609	161,957
Total		<u>-</u>				<u>161,957</u>

	Consolidated financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Trade accounts payables				
Other related parties	608	-	18,334	-
Joint venture	151	41	4,553	1,330
Total	<u>759</u>	<u>41</u>	<u>22,887</u>	<u>1,330</u>

Other accounts payables				
Parent	8	6	241	195
Other related parties	4	-	121	-
Total	<u>12</u>	<u>6</u>	<u>362</u>	<u>195</u>

	Separate financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Other accounts receivables				
Parent	-	13	-	422
Subsidiaries	65,307	59,350	1,969,267	1,925,896
Subsidiaries - transferred investments in associates under common control	89,119	82,812	2,687,294	2,687,233
Associates	12	1	362	32
	<u>154,438</u>	<u>142,176</u>	<u>4,656,923</u>	<u>4,613,583</u>
Less allowance for doubtful account	(32,215)	(1,292)	(971,411)	(41,925)
Net	<u>122,223</u>	<u>140,884</u>	<u>3,685,512</u>	<u>4,571,658</u>
(Reversal of) bad and doubtful debts expense for the year	<u>2,662</u>	<u>(67)</u>	<u>80,600</u>	<u>(2,029)</u>

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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 December 2019, the Company had outstanding amount due from MIV amounting to US Dollar 89.1 million or equivalent to Baht 2,687.3 million (2018: US Dollar 82.8 million or equivalent to Baht 2,687.2 million) as other accounts receivable from related parties in the separated financial statement.

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand Baht)</i>	2018 <i>(in thousand Baht)</i>
Short-term loans to related party				
Subsidiaries	75,658	16,800	2,281,391	545,157
Less allowance for doubtful account	<u>(25,713)</u>	<u>-</u>	<u>(775,350)</u>	<u>-</u>
Total	<u>49,945</u>	<u>16,800</u>	<u>1,506,041</u>	<u>545,157</u>

Movements during the years ended 31 December of short-term loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate	Separate financial statements				31 December 2019
		31 December 2018	Decrease	Impairment <i>(in thousand US Dollar)</i>	Transfer	
Subsidiaries	1.50	<u>16,800</u>	(1,300)	(1,811)	36,256	<u>49,945</u>
Total		<u>16,800</u>				<u>49,945</u>

	Interest rate	Separate financial statements				31 December 2019
		31 December 2018	Decrease	Impairment adjustment <i>(in thousand Baht)</i>	Transfer	
Subsidiaries	1.50	<u>545,157</u>	(39,200)	(54,833)	(38,346)	1,093,263
Total		<u>545,157</u>				<u>1,506,041</u>

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

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand Baht)</i>	2018 <i>(in thousand Baht)</i>
Long-term loans to related party				
Subsidiaries	<u>-</u>	<u>55,902</u>	<u>-</u>	<u>1,814,009</u>
Total	<u>-</u>	<u>55,902</u>	<u>-</u>	<u>1,814,009</u>

Movements during the years ended 31 December of long-term loans to related party were as follows:

	Interest rate	Separate financial statements				31 December 2019
		31 December 2018	Impairment	Unrealised gain on exchange <i>(in thousand US Dollar)</i>	Transfer	
Subsidiaries	1.50	<u>55,902</u>	(23,902)	4,256	(36,256)	<u>-</u>
Total		<u>55,902</u>				<u>-</u>

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	Interest rate	Separate financial statements					31 December 2019
		31 December 2018	Impairment	Unrealised gain on exchange	Translation adjustment	Transfer	
Subsidiaries	1.50	1,814,009	(723,705)	133,080	(130,121)	(1,093,263)	-
Total		1,814,009					-

	Separate financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Other accounts payable to related parties				
Parent	8	6	241	195
Subsidiaries	19	12	574	389
Other related parties	2	-	60	-
Total	29	18	875	584

7 Cash and cash equivalents

	Consolidated financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Cash on hand	58	90	1,749	2,920
Cash at bank	22,438	36,394	676,595	1,180,979
Total	22,496	36,484	678,344	1,183,899

	Separate financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Cash on hand	1	1	30	32
Cash at bank	3,874	1,751	116,817	56,820
Total	3,875	1,752	116,847	56,852

8 Current investments

	Consolidated financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Current investments				
Equity securities held for trading	8,207	6,236	247,474	202,357
Other debt securities held to maturity	4,000	11,800	120,616	382,908
Total	12,207	18,036	368,090	585,265

Other debt securities held to maturity				
Annual interest rate (%)	5.00% - 7.50%	3.50% - 8.16%	5.00% - 7.50%	3.50% - 8.16%
Mature in (years)	1	1	1	1

Mermaid Maritime Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

Movements during the years ended 31 December of marketable equity and debt securities were as follows:

Consolidated financial statements

	At 1 January	Purchase	Disposal <i>(in thousand US Dollar)</i>	Transfer	Fair value adjustment	At 31 December
2019						
Current investments						
Trading Securities	6,236	1,000	(3,500)	4,500	(29)	8,207
Other debt securities held to maturity	11,800	1,000	(4,300)	(4,500)	-	4,000
Total	18,036	2,000	(7,800)	-	(29)	12,207

Consolidated financial statements

	At 1 January	Purchase	Disposal	Transfer <i>(in thousand Baht)</i>	Fair value adjustment	Translation adjustment	At 31 December
2019							
Current investments							
Trading Securities	202,357	30,154	(105,539)	135,693	(1,561)	(13,630)	247,474
Other debt securities held to maturity	382,908	30,154	(129,662)	(135,693)	-	(27,091)	120,616
Total	585,265	60,308	(235,201)	-	(1,561)	(40,721)	368,090

Consolidated financial statements

	At 1 January	Purchase	Disposal <i>(in thousand US Dollar)</i>	Transfer	Fair value adjustment	At 31 December
2018						
Current investments						
Trading Securities	-	6,000	-	-	236	6,236
Other debt securities held to maturity	-	11,800	-	-	-	11,800
Total	-	17,800	-	-	236	18,036

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Consolidated financial statements

	At 1 January	Purchase	Disposal	Transfer	Fair value adjustment <i>(in thousand Baht)</i>	Translation adjustment	At 31 December
2018							
Current investments							
Trading							
Securities	-	194,699	-	-	7,766	(108)	202,357
Other debt securities held to maturity	-	382,908	-	-	-	-	382,908
Total	<u>-</u>	<u>577,607</u>	<u>-</u>	<u>-</u>	<u>7,766</u>	<u>(108)</u>	<u>585,265</u>

Other debt securities held-to-maturity classified as at amortised cost (2018: held-to-maturity).

Information about the Group's exposure to credit and, fair value measurement, is included in Note 26.

Measurement of fair value

The Group determines Level 2 fair values for equity securities using a current value of the investment, which is in the Group's portfolio report from asset management companies.

9 Trade accounts receivable

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand Baht)</i>	2018 <i>(in thousand Baht)</i>
Within credit terms	9,432	3,653	284,412	118,538
Overdue:				
Less than 3 months	11,318	15,543	341,283	504,367
3-6 months	4,604	1,978	138,829	64,186
6-12 months	69	8,336	2,081	270,502
Over 12 months	7,706	3,632	232,367	117,859
	<u>33,129</u>	<u>33,142</u>	<u>998,972</u>	<u>1,075,452</u>
Less allowance for doubtful account	(4,220)	(2,818)	(127,250)	(91,444)
Net	<u>28,909</u>	<u>30,324</u>	<u>871,722</u>	<u>984,008</u>
Contract asset – accrued income	5,849	2,578	176,371	83,656
Retention receivables	7,479	3,022	225,522	98,063
Total	<u>42,237</u>	<u>35,924</u>	<u>1,273,615</u>	<u>1,165,727</u>

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

Information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 26.

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

10 Other accounts receivable

	Note	Consolidated financial statements			
		2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Related parties	6	2,155	14	64,982	454
Other party					
- Withholding taxes		509	2,820	15,348	91,508
- Input taxes awaiting invoice		95	1,854	2,865	60,162
- Prepaid expenses		578	1,147	17,429	37,220
- Advances for business expenses		1,871	737	56,418	23,916
- Other		593	495	17,881	16,063
Total		5,801	7,067	174,923	229,323
		Separate financial statements			
		2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Related parties	6	122,223	140,884	3,685,512	4,571,658
Other parties					
- Prepaid expenses		128	147	3,860	4,770
- Withholding taxes		125	79	3,769	2,564
- Accrued interest income		4	2	121	65
- Others		18	29	542	941
Total		122,498	141,141	3,693,804	4,579,998

11 Restricted deposit at financial institution

Consolidated financial statements

As at 31 December 2019, US Dollar 7.6 million or equivalent to Baht 229.2 million (2018: US Dollar 8.3 million or equivalent to Baht 270.0 million) 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.

As at 31 December 2019, US Dollar 3.7 million or equivalent to Baht 111.6 million (2018: US Dollar 1.9 million or equivalent to Baht 60.0 million) restricted deposit at financial institutions were deposited by subsidiaries to secure the performance guarantee from the financial institution.

As at 31 December 2018, US Dollar 4.4 million or equivalent to Baht 142.8 million restricted deposit at a financial institution was deposited by the Company to secure the certain performance guarantee of a subsidiary.

Separate financial statements

As at 31 December 2018, US Dollar 4.4 million or equivalent to Baht 142.8 million restricted deposit at a financial institution was deposited by the Company to secure the certain performance guarantee of a subsidiary.

Mermaid Maritime Public Company Limited and its Subsidiaries
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12 Investment in associates and joint venture

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital	Consolidated financial statements (in thousand US Dollar)				Dividend income For the year			
			2019	2018		2019	2018	2019	2018		2019	2018	
						2019	2018	Cost	Equity		2019	2018	
Direct associate													
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million		22,507	22,420	22,507	22,425	-	-
								<u>22,507</u>	<u>22,420</u>	<u>22,507</u>	<u>22,425</u>	-	-
Indirect associates													
Asia Offshore Drilling Limited ^(A)	Drilling services	Bermuda	33.76	33.76	USD 60 million	USD 60 million		97,582	99,940	97,582	96,998	-	-
								<u>97,582</u>	<u>99,940</u>	<u>97,582</u>	<u>96,998</u>	-	-
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		213	1,577	213	2,120	-	-
								<u>213</u>	<u>1,577</u>	<u>213</u>	<u>2,120</u>	-	-
Total								<u>120,302</u>	<u>123,937</u>	<u>120,302</u>	<u>121,543</u>	-	-

Mermaid Maritime Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

		Consolidated financial statements							Dividend income for the year	
		Cost					Equity		2019	2018
Type of business	Country of incorporation	Ownership interest (%)	2019	2018	2019	2018	2019	2018	2019	2018
			Paid-up capital		(in thousand Baht)					
			2019	2018	2019	2018	2019	2018	2019	2018
Direct associate										
PTGC Co., Ltd.	Cambodia	49.00	USD 19 million	USD 19 million	678,676	730,348	676,053	727,687	-	-
					678,676	730,348	676,053	727,687	-	-
Indirect associates										
Asia Offshore	Bermuda	33.76	USD 60 million	USD 60 million	2,942,488	3,166,516	3,013,590	3,147,565	-	-
Drilling Limited (A)					2,942,488	3,166,516	3,013,590	3,147,565	-	-
Joint venture										
Zamil Mermaid	Saudi Arabia	40.00	SAR 2 million	SAR 2 million	6,423	6,912	47,553	68,794	-	-
Offshore Services					6,423	6,912	47,553	68,794	-	-
Co. (LLC)										
					3,627,587	3,903,776	3,737,196	3,944,046	-	-
Total										

(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.

Mermaid Maritime Public Company Limited and its Subsidiaries
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	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Separate financial statements			Dividend income for the year		
			2019	2018	2019	2018	Cost					
					2019	2018	2019	2018	2019		2018	
Associate												
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	22,507	22,507	-	-
							22,507	22,507	22,507	22,507	-	-
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	213	213	213	213	-	-
							213	213	213	213	-	-
Total							22,720	22,720	22,720	22,720	-	-

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	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Separate financial statements			Dividend income for the year	
			2019	2018	2019	2018	Cost				
					2019	2018	2019	2018	2019		2018
Associate											
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	678,676	730,348	-	-	-
							678,676	730,348	-	-	-
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	6,423	6,912	-	-	-
							6,423	6,912	-	-	-
Total							685,099	737,260	-	-	-

None of the Company's associate and joint venture are publicly listed and consequently do not have published price quotations.

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the financial statements

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Associates

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	PTGC Co., Ltd.			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Revenue	-	-	-	-
Loss from continuing operations	(10)	(168)	(309)	(5,540)
Total comprehensive income (loss) (100%)	(10)	(168)	(309)	(5,540)
Group's share of total comprehensive expense	(5)	(82)	(151)	(2,715)
Current assets	1	2	30	65
Non-current assets	19,360	19,360	583,781	628,228
Current liabilities	-	(3)	-	(97)
Non-current liabilities	(12)	-	(362)	-
Net assets (100%)	19,349	19,359	583,449	628,196
Group's share of net assets (% hold)	9,481	9,486	285,890	307,819
Goodwill	12,939	12,939	390,163	419,868
Carrying amount of investment in associate	22,420	22,425	676,053	727,687

	Asia Offshore Drilling Limited			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Revenue	61,177	69,791	1,899,120	2,256,305
Profit from continuing operations	15,747	23,905	487,879	772,501
Total comprehensive income (100%)	15,747	23,905	487,879	772,501
Total comprehensive income of the group interest	5,316	8,071	164,699	260,829
Adjust loss from prior year	(12)	-	(379)	-
Group's share of total comprehensive income	5,304	8,071	164,320	260,829
Current assets	97,081	65,732	2,927,380	2,132,990
Non-current assets	409,172	428,403	12,338,172	13,901,592
Current liabilities	(11,946)	(15,409)	(360,220)	(500,019)
Non-current liabilities	(198,278)	(191,409)	(5,978,875)	(6,211,184)
Net assets (100%)	296,029	287,317	8,926,457	9,323,379
Group's share of net assets (% hold)	99,940	96,998	3,013,590	3,147,565
Goodwill	-	-	-	-
Carrying amount of investment in associate	99,940	96,998	3,013,590	3,147,565

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Immaterial Joint venture

The following is summarised financial information for the Group's interest in immaterial joint venture based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Joint venture			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Carrying amount of interest in immaterial joint venture	1,577	2,120	47,553	68,794
Group's share of:				
- Profit from continuing operations	<u>(543)</u>	<u>73</u>	<u>(16,426)</u>	<u>2,365</u>
- Total comprehensive income	<u>(543)</u>	<u>73</u>	<u>(16,426)</u>	<u>2,365</u>

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13 Investments in subsidiaries

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
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 Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			167,559	167,559	(10,600)	(10,600)	156,959	156,959	-	-

Mermaid Maritime Public Company Limited and its Subsidiaries
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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
					<i>(in thousand US Dollar)</i>					
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	14,268	14,268	(14,268)	(11,465)	-	2,803	-	-
PT Seascope Surveys Indonesia	-	IDR 7,328 million	-	200	-	(200)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 350 thousand	MYR 350 thousand	90	90	-	-	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	(5,930)	(5,930)	2,404	2,404	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	164	164	(164)	(164)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	-	USD 40 thousand	-	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.	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			57,538	57,778	(47,017)	(44,414)	10,521	13,364	-	-

Mermaid Maritime Public Company Limited and its Subsidiaries
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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Direct subsidiaries										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	4,628,187	4,980,558	-	-	4,628,187	4,980,558	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	424,387	456,698	(319,632)	(343,968)	104,755	112,730	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
Total			5,052,574	5,437,256	(319,632)	(343,968)	4,732,942	5,093,288	-	-

Mermaid Maritime Public Company Limited and its Subsidiaries
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Name of subsidiary	Paid - up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Indirect subsidiaries										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	430,237	462,994	(430,237)	(372,037)	-	90,957	-	-
PT Seascope Surveys Indonesia	-	IDR 7,328 million	-	6,490	-	(6,490)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 350 thousand	MYR 350 thousand	2,714	2,920	-	-	2,714	2,920	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	615,142	661,976	(615,142)	(661,976)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	188,613	202,973	(188,613)	(202,973)	-	-	-	-
MTR - 2 Ltd.	THB 350 million	THB 350 million	251,303	270,437	(178,813)	(192,427)	72,490	78,010	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	4,945	5,322	(4,945)	(5,322)	-	-	-	-
MTR - 1 (Singapore) Pte. Ltd.	-	USD 40 thousand	-	1,298	-	-	-	1,298	-	-
Mermaid International Ventures	USD 100	USD 100	3	3	-	-	3	3	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	228,748	246,164	-	-	228,748	246,164	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd.	SAR 500 thousand	SAR 500 thousand	11,639	12,526	-	-	11,639	12,526	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	1,658	1,785	-	-	1,658	1,785	-	-
Total			1,735,002	1,874,888	(1,417,750)	(1,441,225)	317,252	433,663	-	-

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On 1 October 2019, MTR - 1 (Singapore) Pte. Ltd., an indirect subsidiary of the Group, was deregistered.

On 31 December 2019, the Group have a loss of control of PT Seascope Surveys (Indonesia) as disclosed in Note 5.

Mermaid Maritime Public Company Limited and its Subsidiaries

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14 Property, plant and equipment

Consolidated financial statements

Offshore support vessels, and tender rigs
(in thousand US Dollar)

	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in progress	Total
Cost											
At 1 January 2018	590	3,240	2,229	116,327	3,479	1,919	336,068	42,611	2,873	3,221	512,557
Additions	-	-	-	863	328	2	2	4,846	220	565	6,826
Transfers	-	-	-	783	-	-	-	1,076	-	(1,859)	-
Disposals	-	-	-	(30,541)	(10)	(134)	(39,159)	(15,706)	-	-	(85,550)
Write off	-	-	(238)	(381)	(106)	(7)	-	(5,516)	-	-	(6,248)
At 31 December 2018 and 1 January 2019	590	3,240	1,991	87,051	3,691	1,780	296,911	27,311	3,093	1,927	427,585
Additions	-	-	-	266	188	38	2	770	79	141	1,484
Transfers	-	-	-	-	-	-	-	565	-	(565)	-
Disposals	-	-	-	(1,296)	(57)	(25)	-	-	-	-	(1,378)
Effect from loss of control in a subsidiary	-	-	(444)	(6,172)	(527)	(440)	(1,045)	(930)	-	-	(9,558)
Write off	-	-	-	-	-	-	-	(12)	-	(52)	(64)
At 31 December 2019	590	3,240	1,547	79,849	3,295	1,353	295,868	27,704	3,172	1,451	418,069

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	Consolidated financial statements								Total		
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry- docking		Motor launches	Construction in progress
	<i>(in thousand US Dollar)</i>										
Depreciation											
At 1 January 2018	-	(2,441)	(1,402)	(67,784)	(3,055)	(1,164)	(137,465)	(28,996)	(1,172)	-	(243,479)
Depreciation charge for the year	-	60	(286)	(5,354)	(268)	(213)	(7,814)	(4,191)	(182)	-	(18,248)
Disposals	-	-	-	11,860	10	113	25,710	8,901	-	-	46,594
Write off	-	-	238	381	106	7	-	5,516	-	-	6,248
At 31 December 2018 and 1 January 2019	-	(2,381)	(1,450)	(60,897)	(3,207)	(1,257)	(119,569)	(18,770)	(1,354)	-	(208,885)
Depreciation charge for the year	-	(133)	(301)	(4,969)	(238)	(203)	(7,807)	(5,258)	(161)	-	(19,070)
Disposals	-	-	-	1,296	57	25	-	-	-	-	1,378
Effect from loss of control in a subsidiary	-	-	247	4,298	425	283	323	875	-	-	6,451
Write off	-	-	-	-	-	-	-	12	-	-	12
At 31 December 2019	-	(2,514)	(1,504)	(60,272)	(2,963)	(1,152)	(127,053)	(23,141)	(1,515)	-	(220,114)

Mermaid Maritime Public Company Limited and its Subsidiaries

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Consolidated financial statements

	Offshore support vessels, rigs and tenders										Total
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Dry-docking	Motor launches	Construction in progress		
<i>(in thousand US Dollar)</i>											
Impairment losses											
At 1 January 2018	-	-	-	(24,133)	-	-	(8,646)	-	(1,514)	(86,206)	
Reversal of impairment losses	-	-	-	18,681	-	-	6,805	-	-	36,935	
At 31 December 2018											
and 1 January 2019	-	-	-	(5,452)	-	-	(1,841)	-	(1,514)	(49,271)	
Impairment losses	-	-	-	(628)	-	-	-	-	-	(5,057)	
Effect from loss of control in a subsidiary	-	-	-	663	-	-	56	-	204	1,580	
At 31 December 2019											
	-	-	-	(5,417)	-	-	(1,785)	-	(1,310)	(52,748)	
Net book value											
At 1 January 2018	590	799	827	24,410	424	755	4,969	1,701	1,707	182,872	
At 31 December 2018	590	859	541	20,702	484	523	6,700	1,739	413	169,429	
and 1 January 2019	590	726	43	14,160	332	201	2,778	1,657	141	145,207	
At 31 December 2019											

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements										Total	
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs <i>(in thousand Baht)</i>	Dry- docking	Motor launches	Construction in progress		
Cost												
At 1 January 2018	19,282	105,886	72,846	3,801,671	113,697	62,715	10,983,005	1,392,566	93,892	105,265	16,750,825	
Additions	-	-	-	28,005	10,644	65	65	157,252	7,139	18,334	221,504	
Transfers	-	-	-	25,408	-	-	-	34,916	-	(60,324)	-	
Disposals	-	-	-	(991,049)	(324)	(4,348)	(1,270,702)	(509,657)	-	-	(2,776,080)	
Write off	-	-	(7,723)	(12,363)	(3,440)	(227)	-	(178,993)	-	-	(202,746)	
Translation adjustments	(137)	(749)	(515)	(26,884)	(805)	(444)	(77,665)	(9,848)	(664)	(744)	(118,455)	
At 31 December 2018 and 1 January 2019	19,145	105,137	64,608	2,824,788	119,772	57,761	9,634,703	886,236	100,367	62,531	13,875,048	
Additions	-	-	-	8,021	5,669	1,146	60	23,219	2,382	4,252	44,749	
Transfers	-	-	-	-	-	-	-	17,037	-	(17,037)	-	
Disposals	-	-	-	(39,080)	(1,719)	(754)	-	-	-	-	(41,553)	
Effect from loss of control in a subsidiary	-	-	(13,388)	(186,110)	(15,891)	(13,268)	(31,511)	(28,043)	-	-	(288,211)	
Write off	-	-	-	-	-	-	-	(362)	-	(1,568)	(1,930)	
Translation adjustments	(1,354)	(7,438)	(4,571)	(199,852)	(8,474)	(4,087)	(681,648)	(62,701)	(7,101)	(4,425)	(981,651)	
At 31 December 2019	17,791	97,699	46,649	2,407,767	99,357	40,798	8,921,604	835,386	95,648	43,753	12,606,452	

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	Consolidated financial statements										Total	
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles <i>(in thousand Baht)</i>	Offshore support vessels, and tender rigs	Dry- docking	Motor launches	Construction in progress		
Depreciation												
At 1 January 2018	-	(79,774)	(45,819)	(2,215,242)	(99,840)	(38,041)	(4,492,480)	(947,615)	(38,302)	-	-	(7,957,113)
Depreciation charge for the year	-	2,103	(9,256)	(173,068)	(8,691)	(6,908)	(252,525)	(135,903)	(5,877)	-	-	(590,125)
Disposals	-	-	-	384,855	324	3,667	834,284	288,836	-	-	-	1,511,966
Write off	-	-	7,723	12,363	3,440	227	-	178,993	-	-	-	202,746
Translation adjustments	-	408	300	14,997	700	266	30,731	6,606	242	-	-	54,250
At 31 December 2018 and 1 January 2019	-	(77,263)	(47,052)	(1,976,095)	(104,067)	(40,789)	(3,879,990)	(609,083)	(43,937)	-	-	(6,778,276)
Depreciation charge for the year	-	(4,128)	(9,371)	(154,330)	(7,398)	(6,357)	(242,349)	(163,290)	(5,002)	-	-	(592,225)
Disposals	-	-	-	39,080	1,719	754	-	-	-	-	-	41,553
Effect from loss of control in a subsidiary	-	-	7,448	129,602	12,815	8,534	9,740	26,385	-	-	-	194,524
Write off	-	-	-	-	-	-	-	362	-	-	-	362
Translation adjustments	-	5,584	3,623	144,301	7,585	3,121	281,443	47,832	3,256	-	-	496,745
At 31 December 2019	-	(75,807)	(45,352)	(1,817,442)	(89,346)	(34,737)	(3,831,156)	(697,794)	(45,683)	-	-	(6,637,317)

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Notes to the financial statements

For the year ended 31 December 2019

	Consolidated financial statements										Total	
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles <i>(in thousand Baht)</i>	Offshore support vessels, and tender rigs	Dry- docking	Motor launches	Construction in progress		
Impairment losses												
At 1 January 2018	-	-	-	(788,688)	-	-	(1,696,564)	(282,559)	-	(49,479)	(2,817,290)	
Reversal of impairment losses				(19,778)	-	-	(12,772)	(7,190)	-	-	(39,740)	
Translation adjustments	-	-	-	631,549	-	-	396,287	230,009	-	350	1,258,195	
At 31 December 2018				(176,917)	-	-	(1,313,049)	(59,740)	-	(49,129)	(1,598,835)	
At 1 January 2019	-	-	-	(19,015)	-	-	(134,101)	-	-	-	(153,116)	
Impairment losses												
Effect from loss of control in a subsidiary	-	-	-	19,992	-	-	19,811	1,689	-	6,151	47,643	
Translation adjustments	-	-	-	12,596	-	-	93,447	4,226	-	3,476	113,745	
At 31 December 2019				(163,344)	-	-	(1,333,892)	(53,825)	-	(39,502)	(1,590,563)	
Net book value												
At 1 January 2018	19,282	26,112	27,027	797,741	13,857	24,674	4,793,961	162,392	55,590	55,786	5,976,422	
At 31 December 2018	19,145	27,874	17,556	671,776	15,705	16,972	4,441,664	217,413	56,430	13,402	5,497,937	
At 1 January 2019	17,791	21,892	1,297	426,981	10,011	6,061	3,756,556	83,767	49,965	4,251	4,378,572	
At 31 December 2019												

Security

As at 31 December 2019, the Group's property, plant and equipment with a net book value of US Dollar 110.0 million (2018: US Dollar 121.6 million) were registered to secure short-term and long-term facilities with financial institutions.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Separate financial statements

	Land	Buildings	Building improvement	Tools and equipment <i>(in thousand US Dollar)</i>	Office equipment	Motor vehicles	Total
Cost							
At 1 January 2018	-	120	447	77	1,843	39	2,526
Additions	-	-	-	-	14	-	14
At 31 December 2018 and 1 January 2019	-	120	447	77	1,857	39	2,540
Additions	-	-	-	-	14	22	36
At 31 December 2019	-	120	447	77	1,871	61	2,576
Depreciation							
At 1 January 2018	-	(75)	(443)	(68)	(1,697)	(39)	(2,322)
Depreciation charge for the year	-	(6)	-	(5)	(61)	-	(72)
At 31 December 2018 and 1 January 2019	-	(81)	(443)	(73)	(1,758)	(39)	(2,394)
Depreciation charge for the year	-	(6)	-	(3)	(56)	(2)	(67)
At 31 December 2019	-	(87)	(443)	(76)	(1,814)	(41)	(2,461)
Net book value							
At 1 January 2018	-	45	4	9	146	-	204
At 31 December 2018 and 1 January 2019	-	39	4	4	99	-	146
At 31 December 2019	-	33	4	1	57	20	115

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Notes to the financial statements

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Separate financial statements

	Land	Buildings	Building improvement	Tools and equipment <i>(in thousand Baht)</i>	Office equipment	Motor vehicles	Total
Cost							
At 1 January 2018	-	3,922	14,608	2,516	60,231	1,275	82,552
Additions	-	-	-	-	454	-	454
Translation adjustments	-	(28)	(103)	(17)	(426)	(9)	(583)
At 31 December 2018 and 1 January 2019	-	3,894	14,505	2,499	60,259	1,266	82,423
Additions	-	-	-	-	422	663	1,085
Translation adjustments	-	(276)	(1,026)	(176)	(4,263)	(90)	(5,831)
At 31 December 2019	-	3,618	13,479	2,323	56,418	1,839	77,677
Depreciation							
At 1 January 2018	-	(2,451)	(14,478)	(2,222)	(55,459)	(1,275)	(75,885)
Depreciation charge for the year	-	(195)	-	(161)	(1,970)	-	(2,326)
Translation adjustments	-	18	103	14	382	9	526
At 31 December 2018 and 1 January 2019	-	(2,628)	(14,375)	(2,369)	(57,047)	(1,266)	(77,685)
Depreciation charge for the year	-	(186)	-	(94)	(1,738)	(61)	(2,079)
Translation adjustments	-	191	1,017	170	4,086	91	5,555
At 31 December 2019	-	(2,623)	(13,358)	(2,293)	(54,699)	(1,236)	(74,209)
Net book value							
At 1 January 2018	-	1,471	130	294	4,772	-	6,667
At 31 December 2018 and 1 January 2019	-	1,266	130	130	3,212	-	4,738
At 31 December 2019	-	995	121	30	1,719	603	3,468

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Notes to the financial statements

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15 Goodwill

	Consolidated financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Cost				
At 1 January	10,136	10,136	328,911	331,254
Translation adjustments	-	-	(23,270)	(2,343)
At 31 December	10,136	10,136	305,641	328,911
Impairment loss				
At 1 January	(8,070)	(8,070)	(261,870)	(263,735)
Translation adjustments	-	-	18,527	1,865
At 31 December	(8,070)	(8,070)	(243,343)	(261,870)
Net book value				
At 1 January	<u>2,066</u>	<u>2,066</u>	<u>67,041</u>	<u>67,519</u>
At 31 December	<u>2,066</u>	<u>2,066</u>	<u>62,298</u>	<u>67,041</u>

The continuing drop in oil prices during the year 2015 impacted the Group's overall business as it led to reduced activity and contracts for subsea and offshore drilling services. Additionally, with more offshore rigs and subsea vessels in the market coming off contract and new builds yet to be delivered, the vessel supply and demand imbalance will continue to have a negative impact on utilisation and day rates. These have been important factors indicating that the Group's assets may be impaired.

Goodwill and impairment loss on goodwill was allocated to the following cash-generating units ("CGU"):

Seascope CGU

	Consolidated financial statements			
	2019 (in thousand US Dollar)	2018	2019 (in thousand Baht)	2018
Cost				
At 1 January	8,070	8,070	261,870	263,735
Translation adjustments	-	-	(18,527)	(1,865)
At 31 December	8,070	8,070	243,343	261,870
Impairment loss				
At 1 January	(8,070)	(8,070)	(261,870)	(263,735)
Translation adjustments	-	-	18,527	1,865
At 31 December	(8,070)	(8,070)	(243,343)	(261,870)
Net book value				
At 1 January	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The recoverable amount of Seascope CGU estimated using the value in use method was less than the total carrying amount of Seascope CGU and the goodwill allocated to it. As a result, goodwill allocated to Seascope CGU was fully impaired as at 31 December 2015.

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Mermaid Subsea Services (International) ("MSSI") CGU

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Cost				
At 1 January	2,066	2,066	67,041	67,519
Translation adjustments	-	-	(4,743)	(478)
At 31 December	2,066	2,066	62,298	67,041
Impairment loss				
At 1 January	-	-	-	-
Translation adjustments	-	-	-	-
At 31 December	-	-	-	-
Net book value				
At 1 January	2,066	2,066	67,041	67,519
At 31 December	2,066	2,066	62,298	67,041

The recoverable amount of MSSI CGU estimated using the value in use method was greater than the total carrying amount of MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to MSSI CGU was not impaired as at 31 December 2019 and 2018. The cash flows were projected over a period of 5 years before a terminal growth rate was applied thereafter. The key assumptions used in the estimation of MSSI CGU's value in use were as follows:

	Consolidated financial statements	
	2019	2018
Discount rate	10.75	10.75
Terminal value growth rate	0	0

16 Interest-bearing liabilities

	Consolidated financial statements		
	2019		
	Secured	Unsecured	Total
	<i>(in thousand US Dollar)</i>		
Short-term borrowings from financial institutions	-	244	244
Current portion of long-term borrowings from financial institutions	11,953	-	11,953
Long-term borrowings from financial institutions	43,846	-	43,846
Total interest-bearing liabilities	55,799	244	56,043

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Consolidated financial statements		
2019		
Secured	Unsecured	Total
<i>(in thousand Baht)</i>		
Short-term borrowings from financial institutions	-	7,358
Current portion of long-term borrowings from financial institutions	360,431	-
Long-term borrowings from financial institutions	1,322,132	-
Total interest-bearing liabilities	1,682,563	7,358
		1,689,921

Consolidated financial statements		
2018		
Secured	Unsecured	Total
<i>(in thousand US Dollar)</i>		
Current portion of long-term borrowings from financial institutions	15,890	-
Current portion of finance lease liabilities	47	-
Long-term borrowings from financial institutions	51,835	-
Finance lease liabilities	40	-
Total interest-bearing liabilities	67,812	-
		67,812

Consolidated financial statements		
2018		
Secured	Unsecured	Total
<i>(in thousand Baht)</i>		
Current portion of long-term borrowings from financial institutions	515,627	-
Current portion of finance lease liabilities	1,525	-
Long-term borrowings from financial institutions	1,682,035	-
Finance lease liabilities	1,298	-
Total interest-bearing liabilities	2,200,485	-
		2,200,485

The Group's short-term borrowings from financial institutions bear effective interest rates of 2.88% per annum.

The Group's long-term borrowings from financial institutions bear effective interest rates of 4.61% per annum (2018: 5.56% per annum).

As at 31 December 2019, the Group and the Company had unutilised credit facilities totalling US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively (2018: US Dollar 4.8 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively).

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

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
At 1 January	67,725	79,615	2,197,662	2,601,890
Repayments during year	(12,000)	(12,000)	(361,848)	(389,398)
Amortisation to profit and loss (front end fee)	74	110	2,312	3,554
Translation adjustments	-	-	(155,563)	(18,384)
At 31 December	55,799	67,725	1,682,563	2,197,662

The currency denomination of interest-bearing liabilities, excluding finance lease liabilities as at 31 December were as follows:

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Currencies:				
US Dollar	56,403	67,725	1,689,921	2,197,662
Total	56,403	67,725	1,689,921	2,197,662

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 56.0 million as at 31 December 2019 (2018: US Dollar 68.0 million) with repayment terms until 2024. 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 14 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 term borrowing agreements.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand US Dollar)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	-	-	-	54	(7)	47
After one year but within five years	-	-	-	48	(8)	40
Total	-	-	-	102	(15)	87

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	Consolidated financial statements					
	2019		2018			
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	-	-	-	1,752	(227)	1,525
After one year but within five years	-	-	-	1,558	(260)	1,298
Total	-	-	-	3,310	(487)	2,823

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 December 2019 of US Dollar 57.8 million or equivalent to Baht 1,743.8 million (2018: US Dollar 70.1 million or equivalent to Baht 2,285.6 million) 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.

17 Provisions for employee benefits

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Post-employment benefits	1,961	2,504	59,132	81,254
Other long-term employee benefits	88	-	2,654	-
Total	2,049	2,504	61,786	81,254

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Post-employment benefits	223	105	6,724	3,407
Other long-term employee benefits	19	-	573	-
Total	242	105	7,297	3,407

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	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Defined benefit obligations at 1 January	2,504	2,244	81,254	73,336
Include in profit or loss:				
Current service costs	562	384	17,309	12,458
Interest on obligation	18	64	554	2,096
Past service costs	69	-	2,099	-
Curtailment gain	(99)	-	(3,119)	-
	<u>550</u>	<u>448</u>	<u>16,843</u>	<u>14,554</u>
Include in other comprehensive income:				
Actuarial (gains) losses				
- Demographic assumptions	1	-	30	-
- Financial assumptions	33	-	992	-
- Experience adjustment	(8)	-	(242)	-
Others:				
Benefits paid	(42)	(188)	(1,328)	(6,040)
Disposal from deconsolidation of a subsidiary	(989)	-	(29,945)	-
Translation adjustments	-	-	(5,818)	(596)
	<u>(1,005)</u>	<u>(188)</u>	<u>(36,311)</u>	<u>(6,636)</u>
Defined benefit obligations at 31 December	<u>2,049</u>	<u>2,504</u>	<u>61,786</u>	<u>81,254</u>

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Defined benefit obligations at 1 January	105	87	3,407	2,843
Include in profit or loss:				
Current service costs	42	15	1,289	484
Interest on obligation	6	3	185	98
Past service cost	77	-	2,322	-
	<u>125</u>	<u>18</u>	<u>3,796</u>	<u>582</u>
Include in other comprehensive income:				
Actuarial losses				
- Demographic assumptions	4	-	121	-
- Financial assumptions	5	-	164	-
- Experience adjustment	3	-	91	-
Others:				
Translation adjustments	-	-	(282)	(18)
	<u>12</u>	<u>-</u>	<u>94</u>	<u>(18)</u>
Defined benefit obligations at 31 December	<u>242</u>	<u>105</u>	<u>7,297</u>	<u>3,407</u>

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On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
			%	
Discount rate	1.55 - 4.02	3.31 - 7.70	1.55 - 4.02	3.31
Future salary increases	2.70 - 7.00	4.00 - 8.00	3.00 - 7.00	4.00 - 8.00
Mortality rate	60.0 - 140.0	0.02 - 3.00	60.0 - 140.0	0.02 - 3.00
Resignation rate	60.0 - 140.0	0.00 - 20.00	60.0 - 140.0	0.00 - 20.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	2019	2018	2019	2018
	Increase in assumption		Decrease in assumption	
Post-employment benefits	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(150)	(105)	116	125
Future salary growth (1%)	121	134	(156)	(114)
Employee turnover (20%)	(105)	(55)	133	(75)
Future mortality (1%)	-	2	-	(3)
Other long-term employee benefits				
Discount rate (1%)	(5)	-	6	-
Employee turnover (20%)	(12)	-	15	-

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	2019	2018	2019	2018
	Increase in assumption		Decrease in assumption	
Post-employment benefits	<i>(in thousand Baht)</i>			
Discount rate (1%)	(4,523)	(3,407)	3,498	4,056
Future salary growth (1%)	3,649	4,348	(4,704)	(3,699)
Employee turnover (20%)	(3,166)	(1,785)	4,010	2,434
Future mortality (1%)	-	65	-	(97)
Other long-term employee benefits				
Discount rate (1%)	(151)	-	181	-
Employee turnover (20%)	(362)	-	452	-

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<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	2019 Increase in assumption	2018	2019 Decrease in assumption	2018
Post-employment benefits	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(24)	(11)	28	14
Future salary growth (1%)	28	15	(28)	(13)
Employee turnover (20%)	(36)	(20)	46	28
Future mortality (1%)	-	1	-	(1)
Other long-term employee benefits				
Discount rate (1%)	(1)	-	1	-
Employee turnover (20%)	(3)	-	3	-

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	2019 Increase in assumption	2018	2019 Decrease in assumption	2018
Post-employment benefits	<i>(in thousand Baht)</i>			
Discount rate (1%)	(724)	(357)	844	454
Future salary growth (1%)	844	487	(844)	(422)
Employee turnover (20%)	(1,086)	(649)	1,387	909
Future mortality (1%)	-	32	-	(32)
Other long-term employee benefits				
Discount rate (1%)	(30)	-	30	-
Employee turnover (20%)	(90)	-	90	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18 Share premium

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

19 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

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Difference arising from common control transactions

The differences arising from common control transactions represent the excess of the book values of certain entities or businesses under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Other components of equity

Currency translation differences

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

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

20 Segment information and disaggregation of revenue

The Group has two 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	Holding

From 1 January 2019, the Group has changed the basis of presentation and disclosure of segment information resulting in the Group presenting segment information in respect of the following segments: Subsea group and Holding. Previously, the Group presented segment information in respect of the following: Subsea group, Drilling and Holding. The new basis has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2018, which are included in the financial statements for the year ended 31 December 2019 for comparative purposes, has been re-presented accordingly.

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Revenue, results and timing of revenue recognition, based on business segments, in the consolidated financial statements for the year ended 31 December 2019 and 2018 were as follows:

	Consolidated financial statements			
	For the year ended 31 December 2019			
Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
<i>Disaggregation of revenue</i>				
Primary geographical markets				
Saudi Arabia	-	68,279	(12)	68,267
Qatar	-	34,002	-	34,002
Thailand	-	3,664	-	3,664
Total revenue	-	105,945	(12)	105,933
Major products/service lines				
Providing services	-	105,945	(12)	105,933
Total revenue	-	105,945	(12)	105,933
Timing of revenue recognition				
Over time	-	105,945	(12)	105,933
Total revenue	-	105,945	(12)	105,933
<i>Information about reportable segment</i>				
Revenue from rendering of services				
Operating profit (loss)	2,380	(27,413)	2,413	(25,000)
Share of profit (loss) of associates and joint venture	5,299	4,756	-	4,756
Finance costs	-	(3,644)	247	(3,397)
Tax (expense) income	29	(575)	-	(575)
Profit (loss) for the year	7,708	(26,876)	2,660	(24,216)

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Consolidated financial statements For the year ended 31 December 2019

	Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
Cash and cash equivalents	15,269	7,227	22,496	-	22,496
Current investments	12,207	-	12,207	-	12,207
Trade accounts receivable	42,260	-	42,260	(23)	42,237
Investments in associates and joint venture	1,577	122,360	123,937	-	123,937
Property, plant and equipment	143,806	1,401	145,207	-	145,207
	215,119	130,988	346,107	(23)	346,084
Unallocated assets					27,964
Total assets					374,048
Interest-bearing liabilities	56,043	-	56,043	-	56,043
Unallocated liabilities	56,043	-	56,043	-	31,012
Total liabilities					87,055
Capital expenditure	1,449	35	1,484	-	1,484
Depreciation	18,861	258	19,119	-	19,119
Amortisation	49	9	58	-	58
Gain on disposal property, plant and equipment	7	-	7	-	7
Impairment losses on assets	5,057	-	5,057	-	5,057
Gain from loss of control in a subsidiary	-	701	701	-	701

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Consolidated financial statements For the year ended 31 December 2018

	Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	66,431	-	66,431	(11)	66,420
Qatar	8,975	-	8,975	-	8,975
Thailand	8,657	-	8,657	-	8,657
Indonesia	7,927	-	7,927	-	7,927
Malaysia	2,781	-	2,781	-	2,781
Total revenue	94,771	-	94,771	(11)	94,760
Major products/service lines					
Providing services	94,771	-	94,771	(11)	94,760
Total revenue	94,771	-	94,771	(11)	94,760
Timing of revenue recognition					
Over time	94,771	-	94,771	(11)	94,760
Total revenue	94,771	-	94,771	(11)	94,760
<i>Information about reportable segment</i>					
Revenue from rendering of services	94,771	-	94,771	(11)	94,760
Operating loss	(29,257)	(1,080)	(30,337)	(252)	(30,589)
Share of profit of associates and joint venture	73	7,989	8,062	-	8,062
Finance costs	(4,082)	-	(4,082)	185	(3,897)
Tax (expense) income	(876)	2	(874)	-	(874)
Profit (loss) for the year	(34,142)	6,911	(27,231)	(67)	(27,298)

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	Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group
Cash and cash equivalents	30,666	5,818	36,484	-	36,484
Current investments	18,036	-	18,036	-	18,036
Trade accounts receivable	36,616	-	36,616	(692)	35,924
Investments in associates and joint venture	2,120	119,423	121,543	-	121,543
Property, plant and equipment	167,852	1,577	169,429	-	169,429
	255,290	126,818	382,108	(692)	381,416
Unallocated assets					28,175
Total assets					409,591
Interest-bearing liabilities	67,812	-	67,812	-	67,812
Unallocated liabilities	67,812	-	67,812	-	67,812
Total liabilities					26,891
Capital expenditure	6,915	15	6,930	-	6,930
Depreciation	18,223	(22)	18,201	-	18,201
Amortisation	76	23	99	-	99
Gain on disposal property, plant and equipment	431	(1)	430	(189)	241
Reversal of impairment losses on assets	-	1,800	1,800	-	1,800

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	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	2,117,277	-	2,117,277	(375)	2,116,902
Qatar	1,056,812	-	1,056,812	-	1,056,812
Thailand	112,330	-	112,330	-	112,330
Total revenue	3,286,419	-	3,286,419	(375)	3,286,044
Major products/service lines					
Providing services	3,286,419	-	3,286,419	(375)	3,286,044
Total revenue	3,286,419	-	3,286,419	(375)	3,286,044
Timing of revenue recognition					
Over time	3,286,419	-	3,286,419	(375)	3,286,044
Total revenue	3,286,419	-	3,286,419	(375)	3,286,044
<i>Information about reportable segment</i>					
Revenue from rendering of services	3,286,419	-	3,286,419	(375)	3,286,044
Operating profit (loss)	(923,683)	77,074	(846,609)	72,865	(773,744)
Share of profit (loss) of associates and joint venture	(16,426)	164,168	147,742	-	147,742
Finance costs	(113,344)	-	(113,344)	7,671	(105,673)
Tax (expense) income	(18,924)	878	(18,046)	-	(18,046)
Profit (loss) for the year	(1,072,377)	242,120	(830,257)	80,536	(749,721)

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	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Cash and cash equivalents	460,422	217,922	678,344	-	678,344
Current investments	368,090	-	368,090	-	368,090
Trade accounts receivable	1,274,308	-	1,274,308	(693)	1,273,615
Investments in associates and joint venture	47,553	3,689,643	3,737,196	-	3,737,196
Property, plant and equipment	4,336,326	42,246	4,378,572	-	4,378,572
	6,486,699	3,949,811	10,436,510	(693)	10,435,817
Unallocated assets					843,224
Total assets					11,279,041
Interest-bearing liabilities	1,689,921	-	1,689,921	-	1,689,921
Unallocated liabilities	1,689,921	-	1,689,921	-	935,138
Total liabilities					2,625,059
Capital expenditure	43,694	1,055	44,749	-	44,749
Depreciation	585,736	8,010	593,746	-	593,746
Amortisation	1,528	280	1,808	-	1,808
Gain on disposal property, plant and equipment	212	-	212	-	212
Impairment losses on assets	153,116	-	153,116	-	153,116
Gain from loss of control in a subsidiary	-	21,225	21,225	-	21,225

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	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	2,149,386	-	2,149,386	(359)	2,149,027
Qatar	293,977	-	293,977	-	293,977
Thailand	280,149	-	280,149	-	280,149
Indonesia	260,100	-	260,100	-	260,100
Malaysia	88,605	-	88,605	-	88,605
Total revenue	3,072,217	-	3,072,217	(359)	3,071,858
Major products/service lines					
Providing services	3,072,217	-	3,072,217	(359)	3,071,858
Total revenue	3,072,217	-	3,072,217	(359)	3,071,858
Timing of revenue recognition					
Over time	3,072,217	-	3,072,217	(359)	3,071,858
Total revenue	3,072,217	-	3,072,217	(359)	3,071,858
<i>Information about reportable segment</i>					
Revenue from rendering of services	3,072,217	-	3,072,217	(359)	3,071,858
Operating loss	(943,590)	(35,499)	(979,089)	(8,236)	(987,325)
Share of profit of associates and joint venture	2,365	258,114	260,479	-	260,479
Finance costs	(131,984)	-	(131,984)	6,029	(125,955)
Tax (expense) income	(28,520)	67	(28,453)	-	(28,453)
Profit (loss) for the year	(1,101,729)	222,682	(879,047)	(2,207)	(881,254)

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	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Cash and cash equivalents	995,106	188,793	1,183,899	-	1,183,899
Current investments	585,265	-	585,265	-	585,265
Trade accounts receivable	1,188,182	-	1,188,182	(22,455)	1,165,727
Investments in associates and joint venture	68,794	3,875,252	3,944,046	-	3,944,046
Property, plant and equipment	5,446,764	51,173	5,497,937	-	5,497,937
	8,284,111	4,115,218	12,399,329	(22,455)	12,376,874
Unallocated assets					914,273
Total assets					13,291,147
Interest-bearing liabilities	2,200,485	-	2,200,485	-	2,200,485
Unallocated liabilities	2,200,485	-	2,200,485	-	872,607
Total liabilities					3,073,092
Capital expenditure	224,391	487	224,878	-	224,878
Depreciation	589,483	(958)	588,525	-	588,525
Amortisation	2,455	741	3,196	-	3,196
Gain on disposal property, plant and equipment	13,661	(32)	13,629	(6,032)	7,597
Reversal of impairment losses on assets	-	56,774	56,774	-	56,774

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Geographical information

Segments Subsea and Holding are managed on a worldwide basis but mainly operate and provide services in Thailand, Qatar and Saudi Arabia.

In presenting information on the basis of geographical segments, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

	Revenue from services			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Saudi Arabia	68,267	66,420	2,116,902	2,149,027
Qatar	34,002	8,975	1,056,812	293,977
Thailand	3,664	8,657	112,330	280,149
Indonesia	-	7,927	-	260,100
Malaysia	-	2,781	-	88,605
Total	105,933	94,760	3,286,044	3,071,858

	Assets			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Thailand	182,581	221,278	5,505,547	7,180,427
Cayman	99,995	97,053	3,015,249	3,149,350
Saudi Arabia	58,668	61,809	1,769,074	2,005,690
Qatar	22,387	15,149	675,058	491,582
Singapore	7,619	1,374	229,743	44,586
United Arab Emirates	2,512	4,619	75,746	149,886
Indonesia	-	8,001	-	259,631
Other countries	286	308	8,624	9,995
Total	374,048	409,591	11,279,041	13,291,147

Major customer

Revenues from the major customer of the Group's Segments Subsea represents approximately US Dollar 97.5 million (2018: US Dollar 59.4 million) of the Group's total revenues.

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21 Cost of rendering of services

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Crew, staff and subcontractor costs	48,975	44,137	1,518,733	1,428,875
Vessel expenses and repair and maintenance expenses	27,325	31,715	848,106	1,027,039
Depreciation	18,192	17,537	564,876	567,246
Charter hire and equipment rental	5,591	2,759	173,884	89,612
Recharge expenses related to services provided	4,925	3,571	151,367	114,849
Mobilisation/demobilisation expense	4,037	4,013	124,995	129,951
Amortisation	7	36	221	1,154
Total	109,052	103,768	3,382,182	3,358,726

22 Administrative expenses

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Employee benefit expense	9,747	12,025	302,433	389,280
Impairment losses on assets	5,057	-	153,116	-
Professional fees	2,294	3,649	71,261	118,706
Withholding tax not recoverable	1,656	1,422	51,451	46,073
Depreciation	927	664	28,870	21,279
Travelling expenses	795	1,107	24,701	35,859
Bank charge	498	257	15,411	8,338
Office and office equipment rental	410	959	12,738	31,121
Amortisation	51	63	1,587	2,042
Bad and doubtful debts expenses	21	2,253	647	73,901
Insurance and port expenses	14	381	436	12,114
Others	2,187	2,202	69,933	69,939
Total	23,657	24,982	732,584	808,652

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
(Reversal of) bad and doubtful debts expenses	2,662	(67)	80,600	(2,209)
Employee benefit expense	2,639	2,565	81,798	82,783
Professional fees	528	586	16,394	18,960
Travelling expenses	91	259	2,812	8,345
Amortisation	9	21	282	676
Office and office equipment rental	5	51	156	1,620
Others	794	678	24,653	21,763
Total	6,728	4,093	206,695	131,938

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23 Employee benefit expense

	Consolidated financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Crew expenses and subcontractor	48,975	44,137	1,518,733	1,428,875
Wages and salaries	6,674	8,621	207,173	278,873
Staff welfare	1,537	2,023	47,742	65,540
Contribution to defined contribution plans and social security and expenses related to define benefit plans	1,050	975	32,429	31,611
Bonus	198	10	6,131	484
Others	288	396	8,958	12,772
Total	58,722	56,162	1,821,166	1,818,155

	Separate financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Wages and salaries	1,855	1,757	57,562	56,699
Staff welfare	318	328	9,870	10,599
Contribution to defined contribution plans and social security and expenses related to define benefit plans	253	145	7,795	4,680
Bonus	56	178	1,698	5,730
Others	157	157	4,873	5,075
Total	2,639	2,565	81,798	82,783

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

24 Income tax expense

Income tax recognized in profit or loss

	Consolidated financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Current tax expense				
Current taxes	627	133	19,618	4,121
Adjustment for prior year	9	552	275	18,111
	636	685	19,893	22,232
Deferred tax expense (benefit)				
Deferred taxes	(61)	189	(1,847)	6,221
Total	575	874	18,046	28,453

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	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Deferred tax (benefit)				
Deferred taxes	(29)	(4)	(878)	(131)
Total	<u>(29)</u>	<u>(4)</u>	<u>(878)</u>	<u>(131)</u>

Income tax recognized in other comprehensive income

	Consolidated financial statements					
	Before tax <i>(Note 17)</i>	2019 Tax (expense) benefit	Net of tax	Before tax <i>(Note 17)</i>	2018 Tax (expense) benefit	Net of tax
			<i>(in thousand US Dollar)</i>			
Defined benefit plan actuarial gains (losses)	(26)	24	(2)	-	-	-
Total	<u>(26)</u>	<u>24</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements					
	Before tax <i>(Note 17)</i>	2019 Tax (expense) benefit	Net of tax	Before tax <i>(Note 17)</i>	2018 Tax (expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Defined benefit plan actuarial gains (losses)	(780)	718	(62)	-	-	-
Total	<u>(780)</u>	<u>718</u>	<u>(62)</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Separate financial statements					
	Before tax <i>(Note 17)</i>	2019 Tax (expense) benefit	Net of tax	Before tax <i>(Note 17)</i>	2018 Tax (expense) benefit	Net of tax
			<i>(in thousand US Dollar)</i>			
Defined benefit plan actuarial gains (losses)	(12)	(2)	(14)	-	-	-
Total	<u>(12)</u>	<u>(2)</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Separate financial statements					
	Before tax <i>(Note 17)</i>	2019 Tax (expense) benefit	Net of tax	Before tax <i>(Note 17)</i>	2018 Tax (expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Defined benefit plan actuarial gains (losses)	(376)	(60)	(436)	-	-	-
Total	<u>(376)</u>	<u>(60)</u>	<u>(436)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Reconciliation of effective tax rate

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

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand Baht)</i>	2018 <i>(in thousand Baht)</i>
Loss before income tax – accounting	<u>(23,641)</u>	<u>(26,424)</u>	<u>(731,675)</u>	<u>(852,801)</u>
Tax at the domestic rate of 20%	(4,728)	(5,285)	(146,335)	(170,560)
Adjustments:				
Effect of difference tax rate in foreign jurisdictions	1,510	1,307	46,882	42,230
Income not subject to tax and additional taxable expenses	(649)	(1,647)	(20,150)	(53,216)
Expenses not deductible for tax purposes	4,401	1,604	136,381	51,563
Utilisation of previously unrecognised tax losses	-	(122)	-	(3,942)
Tax losses and temporary differences for which no deferred income tax were recognised	1,871	4,634	58,090	149,728
Adjustments in respect of prior year	9	552	275	18,111
Remeasurement of gain on exchange rate of US Dollar financial statement	(1,527)	(215)	(47,410)	(6,947)
Remeasurement of (gain) loss on exchange rate of Thai Baht financial statement	<u>(312)</u>	<u>46</u>	<u>(9,687)</u>	<u>1,486</u>
Total income tax expense	<u>575</u>	<u>874</u>	<u>18,046</u>	<u>28,453</u>
The average effective tax rate	2%	3%	2%	3%

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	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand Baht)</i>	2018 <i>(in thousand Baht)</i>
Profit (loss) before income tax – accounting	<u>9,978</u>	<u>(1,019)</u>	<u>315,154</u>	<u>(32,118)</u>
Tax at the domestic rate of 20%	1,996	(204)	63,031	(6,424)
Adjustments:				
Expenses not deductible for tax purposes	522	(56)	15,170	(1,979)
Tax losses for which no deferred income tax assets were recognised	783	594	24,310	19,193
Remeasurement of gain on exchange rate of US Dollar financial statement	(2,935)	(240)	(91,125)	(7,755)
Remeasurement of (gain) loss on exchange rate of Thai Baht financial statement	<u>(395)</u>	<u>(98)</u>	<u>(12,264)</u>	<u>(3,166)</u>
Total income tax expense (benefit)	<u>(29)</u>	<u>(4)</u>	<u>(878)</u>	<u>(131)</u>
The average effective tax rate	0%	0%	0%	0%

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

Deferred tax assets as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>			
Total	<u>2,139</u>	<u>2,281</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u>2,139</u>	<u>2,281</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	<u>64,499</u>	<u>74,018</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u>64,499</u>	<u>74,018</u>	<u>-</u>	<u>-</u>

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>			
Total	<u>48</u>	<u>21</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u>48</u>	<u>21</u>	<u>-</u>	<u>-</u>

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	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	1,447	681	-	-
Net deferred tax assets	<u>1,447</u>	<u>681</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements				At 31 December 2019
	At 1 January 2019	(Charged) / Credited to :			
		Profit or loss	Other comprehensive income	Disposal from deconsolidation of a subsidiary	
	<i>(in thousand US Dollar)</i>				
Deferred tax assets					
Property, plant and equipment	173	-	-	(20)	153
Provisions	345	-	-	-	345
Retirement benefits obligation	269	61	24	(207)	147
Loss carry forward	1,494	-	-	-	1,494
Total	<u>2,281</u>	<u>61</u>	<u>24</u>	<u>(227)</u>	<u>2,139</u>

	Consolidated financial statements					At 31 December 2019
	At 1 January 2019	(Charged) / Credited to :				
		Profit or loss	Other comprehensive income	Disposal from deconsolidation of a subsidiary	Translation adjustments	
	<i>(in thousand Baht)</i>					
Deferred tax assets						
Property, plant and equipment	5,614	-	-	(606)	(394)	4,614
Provisions	11,195	-	-	-	(792)	10,403
Retirement benefits obligation	8,729	1,847	718	(6,267)	(594)	4,433
Loss carry forward	48,480	-	-	-	(3,431)	45,049
Total	<u>74,018</u>	<u>1,847</u>	<u>718</u>	<u>(6,873)</u>	<u>(5,211)</u>	<u>64,499</u>

	Consolidated financial statements			
	At 1 January 2018	(Charged) / Credited to :		
		Profit or loss	Other comprehensive income	At 31 December 2018
	<i>(in thousand US Dollar)</i>			
Deferred tax assets				
Property, plant and equipment	307	(134)	-	173
Provisions	345	-	-	345
Retirement benefits obligation	324	(55)	-	269
Loss carry forward	1,494	-	-	1,494
Total	<u>2,470</u>	<u>(189)</u>	<u>-</u>	<u>2,281</u>

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	Consolidated financial statements				At 31 December 2018
	(Charged) / Credited to :				
	At 1 January 2018	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Translation adjustments	
<i>Deferred tax assets</i>					
Property, plant and equipment	10,033	(4,416)	-	(3)	5,614
Provisions	11,275	-	-	(80)	11,195
Retirement benefits obligation	10,589	(1,805)	-	(55)	8,729
Loss carry forward	48,825	-	-	(345)	48,480
Total	80,722	(6,221)	-	(483)	74,018

	Separate financial statements				At 31 December 2019
	(Charged) / Credited to :				
	At 1 January 2019	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income		
<i>Deferred tax assets</i>					
Retirement benefits obligation	21	29	(2)		48
Total	21	29	(2)		48

	Separate financial statements				At 31 December 2019
	(Charged) / Credited to :				
	At 1 January 2019	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	Translation adjustments	
<i>Deferred tax assets</i>					
Retirement benefits obligation	681	878	(60)	(52)	1,447
Total	681	878	(60)	(52)	1,447

	Separate financial statements				At 31 December 2018
	(Charged) / Credited to :				
	At 1 January 2018	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income		
<i>Deferred tax assets</i>					
Retirement benefits obligation	17	4	-		21
Total	17	4	-		21

	Separate financial statements				At 31 December 2018
	(Charged) / Credited to :				
	At 1 January 2018	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	Translation adjustments	
<i>Deferred tax assets</i>					
Retirement benefits obligation	556	131	-	(6)	681
Total	556	131	-	(6)	681

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Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Tax losses	16,155	13,644	489,141	447,686
Impairment losses on property, plant and equipment and related supplies and spare parts	10,051	9,434	304,324	309,547
Impairment losses on goodwill	1,614	1,614	48,869	52,958
Bad and doubtful debts	3,179	9	96,254	295
Total	30,999	24,701	938,588	810,486

	Separate financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
Impairment losses on investments in subsidiaries	2,120	2,120	64,189	69,561
Tax losses	2,406	1,565	72,849	51,351
Bad and doubtful debts	11,585	258	350,771	8,465
Total	16,111	3,943	487,809	129,377

As at 31 December 2019, the Group had temporary differences arising from the unutilised tax losses carry forward which have not been recognised as deferred tax assets because it is not probable that the Group will be able to utilise the tax benefit in the foreseeable future. The tax losses will expire according to the following schedule:

Year of expiry	Tax losses	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
2020	9,517	288,156
2021	3,994	120,930
2022	12,676	383,804
2023	45,469	1,376,711
2024	9,120	276,137
	80,776	2,445,738

25 Earnings (losses) per share

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the year ended 31 December 2019 and 2018 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

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	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>(24,258)</u>	<u>(27,193)</u>	<u>(751,000)</u>	<u>(877,782)</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>(0.0172)</u>	<u>(0.0192)</u>	<u>(0.5314)</u>	<u>(0.6211)</u>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
	<u>(0.0172)</u>	<u>(0.0192)</u>	<u>(0.5314)</u>	<u>(0.6211)</u>
	Separate 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>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>10,007</u>	<u>(1,015)</u>	<u>316,032</u>	<u>(31,987)</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>
Earnings (losses) per share (basic)	<u>0.0071</u>	<u>(0.0007)</u>	<u>0.2236</u>	<u>(0.0226)</u>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	

26 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (Note 16).

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Foreign currency risk

A substantial part of the assets and liabilities of the Group are recognized in USD, the functional currency of the Group. These assets and liabilities are translated into THB for presentation purposes. The translation into THB does not imply that the assets and liabilities recognized in USD can be recovered or settled in the future at exchange rates similar to the exchange rate prevailing at the current reporting date.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>			
Thai Baht				
Cash and cash equivalents	1,680	6,740	796	343
Trade accounts receivable	291	188	-	-
Receivables from related parties	-	-	117,991	157,866
Long-term loans to related parties	-	-	36,256	55,902
Trade accounts payable	(1,273)	(209)	-	-
Other accounts payable	(909)	(1,009)	(699)	(637)
Gross balance sheet exposure	(211)	5,710	154,344	213,474
Singapore Dollar				
Cash and cash equivalents	75	112	-	-
Trade accounts payable	(37)	(58)	-	-
Other accounts payable	(140)	(214)	-	-
Gross balance sheet exposure	(102)	(160)	-	-
Qatari Rial				
Cash and cash equivalents	405	653	-	-
Restricted cash equivalent	1,070	-	-	-
Trade accounts payable	(675)	(45)	-	-
Other accounts payable	(217)	(331)	-	-
Gross balance sheet exposure	583	277	-	-

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Exposure to credit risk

Unless otherwise stated in note 27, the Group's maximum exposure to credit risk at the end of the reporting period is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	Consolidated financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Impairment loss on trade receivables and contract assets arising from contracts with customers	21	2,253	647	73,901
	<u>21</u>	<u>2,253</u>	<u>647</u>	<u>73,901</u>
	Separate financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
(Reversal of) impairment loss on other Receivables and loan to related parties	2,662	(67)	80,600	(2,209)
	<u>2,662</u>	<u>(67)</u>	<u>80,600</u>	<u>(2,209)</u>

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including not-credit impaired and credit-impaired receivable.

Expected credit loss assessment for corporate customers as at 1 January and 31 December 2019

Expected credit loss model is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust historical credit loss experience with forward-looking information. At each reporting period, historical default rates and forward-looking information are updated. The Group also evaluates expected credit loss on credit-impaired receivables separately at each reporting period.

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The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers as at 1 January and 31 December 2019:

Consolidated financial statements	Weight average loss rate (%)	Gross carrying amount (in thousand US Dollar)	Balance as at 1 January 2019			Credit-impaired
			Impairment loss allowance	Gross carrying amount (in thousand Baht)	Impairment loss allowance	
Within credit terms	1.6	3,653	(60)	118,538	(1,947)	No
Overdue:						
Less than 3 months	1.3	15,543	(199)	504,367	(6,458)	No
3-6 months	7.1	1,978	(141)	64,186	(4,575)	No
6-12 months	100	8,336	(807)	270,502	(26,187)	Yes
Over 12 months	100	3,632	(3,074)	117,859	(99,751)	Yes
		33,142	(4,281)	1,075,452	(138,918)	
Contract asset – accrued income	0	2,578	-	83,656	-	No
Total		35,720	(4,281)	1,159,108	(138,918)	

Consolidated financial statements	Weight average loss rate (%)	Gross carrying amount (in thousand US Dollar)	Balance as at 31 December 2019			Credit-impaired
			Impairment loss allowance	Gross carrying amount (in thousand Baht)	Impairment loss allowance	
Within credit terms	0.0	9,432	-	284,412	-	No
Overdue:						
Less than 3 months	1.1	11,318	(126)	341,283	(3,799)	No
3-6 months	7.1	4,604	(325)	138,829	(9,800)	No
6-12 months	100	69	(69)	2,081	(2,081)	Yes
Over 12 months	100	7,706	(3,700)	232,367	(111,570)	Yes
		33,129	(4,220)	998,972	(127,250)	
Contract asset – accrued income	0	5,849	-	176,371	-	No
Total		38,978	(4,220)	1,175,343	(127,250)	

Trade accounts receivable that are individually determined to be credit-impaired at the reporting date relate to debtors that are in defaulted on payments. The allowance for impairment recorded in relation to these receivables represents the net amount after deducting the debtors' payables due from the Group, if any.

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Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows. Comparative amounts for 2019 represent the allowance account for impairment losses under TAS 101.

	Consolidated financial statements	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
Balance at 31 December 2018 under TAS 101	2,818	91,444
Adjustment on initial application of TFRS 9	1,463	47,474
Balance at 1 January 2019 under TFRS 9	4,281	138,918
Amounts written off	(82)	(2,661)
Impairment loss	21	647
Translation adjustment	-	(9,654)
Balance at 31 December	4,220	127,250

Trade receivables with a contractual amount of US Dollar 0.1 million or equivalent to Baht 2.7 million written off during 2019 are still subject to enforcement activity.

Other receivable and loan to related parties

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each related party. However, management also considers the factors that may influence the credit risk, including the default risk associated with the industry and country in which they operate. Impairment on other receivable and loan to related parties have been measured on the 12-month expected loss basis, or the lifetime expected loss basis if the Group becomes aware of credit-impaired at the reporting date.

Outstanding balances with related party are unsecured and repayable on demand. ECL is assessed from estimated cash flows recoverable from the related parties and subsidiaries based on the review of their financial strength as at the reporting date.

Movements in the allowance for impairment in respect of other receivable and loan to related parties

The movement in the allowance for impairment in respect of other receivable and loan to related parties during the year was as follows. Comparative amounts for 2019 represent the allowance account for impairment losses under TAS 105.

	Separate financial statements	
	<i>(in thousand US Dollar)</i>	<i>(in thousand Baht)</i>
Balance at 31 December 2018 under TAS 105	1,292	41,925
Adjustment on initial application of TFRS 9	53,974	1,751,446
Balance at 1 January 2019 under TFRS 9	55,266	1,793,371
Impairment loss	2,662	80,600
Translation adjustment	-	(127,210)
Balance at 31 December	57,928	1,746,761

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Other debt securities held to maturity

The Group's policy is to invest in other debt securities held to maturity which are available on active markets, have maturities not over one year, and do not meet the criteria of being credit-impaired at initial recognition. The Group monitors whether the debt securities are credit-impaired at each reporting date.

Impairment on other debt securities held to maturity have been measured on the 12-month expected loss basis, or the lifetime expected loss basis if the Group becomes aware of credit-impaired at the reporting date.

As at 31 December 2019, the Group did not have any debt securities that met the definition of being credit-impaired.

Cash and cash equivalent

Cash and cash equivalents have maturities of three months or less, and are placed with financial institutions which are regulated, so the amount of credit risk is considered to be negligible.

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. As at 31 December 2019, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

Liquidity risk

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

Carrying amount and fair values

As at 31 December 2019 and 2018, except for equity securities held for trading disclosed in Note 8 and loans from financial institutions disclosed in Note 15, the fair value of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

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27 Guarantees

As at 31 December 2019 and 2018, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements					
	31 December 2019				31 December 2018	
	thousand Baht	thousand USD	thousand SAR	thousand QAR	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	15,600	4,434	4,350	3,878	15,600	13,824
Guarantee for long-term borrowings of subsidiary to financial institution	-	56,000	-	-	-	68,000

	Separate financial statements			
	2019		2018	
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	400	-	400	8,750
Guarantee for long-term loans of subsidiaries to financial institutions	-	56,000	-	68,000

28 Other events

Reference is made to Note 5 regarding the loss of control in PTSSI. The Group, through its other indirect subsidiary Seascope Surveys Pte. Ltd. ("Seascope Surveys"), is a party to or involved in a number of legal proceedings in Indonesia related to the shareholdings and management affairs of PTSSI. A summary of the outstanding court cases as at 31 December 2019 are as follows:

- (a) A case was filed in the Bekasi District Court by the Criminal Investigation Department of the National Police alleging that Ms. Margaretta Retno Sundari and other co-defendants had engaged in the forgery of letters, providing false statements in an authentic deed, and fraud, all related to the transfer of ownership of 368 (46%) shares in PTSSI, with Seascope Surveys as the reporting party. The Bekasi District Court ruled that the charges against Ms. Margaretta Retno Sundari were proven but such acts were not criminal acts but relates to share ownership which shall actually be settled by civil law. Accordingly, the court directed that Seascope Surveys should instead file a civil lawsuit against such acts. The Public Prosecutor had filed an appeal to the Supreme Court and it was subsequently reported on the Supreme Court website that the appeal has been denied although a copy of that verdict has not yet been issued.
- (b) A case was filed in the Central Jakarta District Court by Ms. Margaretta Retno Sundari against Seascope Surveys and other co-defendants to, among other things, annul the Shareholders Agreement made in 2013 between the plaintiff and Seascope Surveys in relation to 368 (46%) shares of PTSSI on allegation that it is a nominee agreement and against applicable Indonesian laws and regulations.

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- (c) A case was filed in the South Jakarta District Court by PTSSI against Seascope Surveys and other co-defendants to, among other things, request the court to allow PTSSI to hold an extraordinary meeting of shareholders to approve an amendment to PTSSI's articles of association to change term of office of the directors from previously three (3) years to five (5) years, and to ratify the directors' actions to sell the vessel "SS Barakuda", such resolutions to be passed by fifty percent present and voting.
- (d) A case was filed in the South Jakarta District Court by Ms. Margaretta Retno Sundari against Seascope Surveys and another co-defendant to, among other things, challenge the validity of 198 (25%) shares held by Seascope Surveys through alleging that Seascope Surveys had declined or been unwilling to pay for its shares during an alleged capital increase in 2013. The plaintiff also claimed compensation for alleged material losses of IDR 30,810.7 million from payments made to Seascope Surveys during 2005 to 2011, IDR 694.6 million on allegation that the plaintiff never received payment for her transfer of shares to Seascope Surveys in 2007, and IDR 27,263.7 million for alleged dividends not received by the plaintiff.

The Group believes that it will be successfully able to defend the claims and accordingly the Group did not record any related provisions in its consolidated financial statements.

29 Commitments with non-related parties

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

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

	Consolidated financial statements			
	2019 <i>(in thousand US Dollar)</i>	2018	2019 <i>(in thousand Baht)</i>	2018
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	268	766	8,081	24,857
After one year but within five years	-	1,489	-	48,318
After five years	-	372	-	12,071
Total	268	2,627	8,081	85,246

30 Events after the reporting period

Incorporation of a subsidiary

At the Board of Directors' meeting of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, held on 31 January 2020, MSST's Board of Directors approved to set up a new foreign subsidiary, Mermaid Subsea Services (UK) Limited ("MSS UK"), which is fully owned by MSST. The main business of this subsidiary is to provide subsea and related services. MSS UK was incorporated on 7 February 2020 with GBP 100 thousand authorized share capital.

Increase in share capital of a subsidiary

On 7 February 2020, the shareholders of Mermaid Subsea Services (Malaysia) Ltd. ("MSSM") approved the increase in share capital of MSSM by MYR 200.0 thousand, from MYR 350.0 thousand to MYR 550.0 thousand. The additional shares were authorized and issued on 7 February 2020.

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New loan facility agreement

On 28 January 2020, MSST entered into a new loan facility agreement with a financial institution to fund the maintenance and repairs of its vessels. The loan facility is for up to US Dollar 8.0 million. These borrowings will bear interest at the rate of USD-LIBOR plus a certain margin, will be secured by mortgages of the support vessels mentioned in note 14, and will be guaranteed by the Company.

31 Thai Financial Reporting Standards (TFRS) not yet adopted

TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 29. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

<i>Statement of financial position</i> <i>At 1 January</i>	Consolidated financial statements	Separate financial statements
	2020	2020
	<i>(in thousand US Dollar)</i>	
Increase in right-of-use assets	337	225
Increase (decrease) in deferred tax assets	64	44
Increase in lease liabilities	(322)	(218)
(Increase) decrease in retained earnings	(79)	(51)

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the financial statements
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<i>Statement of financial position</i>	Consolidated financial statements	Separate financial statements
<i>At 1 January</i>	2020	2020
	<i>(in thousand Baht)</i>	
Increase in right-of-use assets	10,175	6,812
Increase (decrease) in deferred tax assets	1,944	1,316
Increase in lease liabilities	(9,720)	(6,582)
(Increase) decrease in retained earnings	(2,399)	(1,546)