



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)  
(Company Registration No. 0107550000017)

### Financial Statements and Dividend Announcement for the Year Ended 30 September 2009

#### PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated		
	For the years that ended on 30 September		
	2009	2008	Changes
	Baht'000	Baht'000	%
Service income	5,209,869	5,285,443	-1.4%
Cost of services	(3,770,855)	(3,686,546)	2.3%
<b>Gross profits from services</b>	<b>1,439,014</b>	<b>1,598,897</b>	<b>-10.0%</b>
Service and administrative expenses	(485,611)	(731,561)	-33.6%
Interest income	16,618	37,975	-56.2%
Gains (losses) on exchange rates	(55,513)	159,750	-134.7%
Net gains (losses) on disposals and write-off of property, plant and equipment and intangible asset	21,252	(5,855)	-463.0%
Other income	28,566	102,751	-72.2%
<b>Operating profits</b>	<b>964,326</b>	<b>1,161,957</b>	<b>-17.0%</b>
Share of profits (losses) of investments in associates	(17,329)	32,132	-153.9%
<b>Profits before interest expenses and income taxes</b>	<b>946,997</b>	<b>1,194,089</b>	<b>-20.7%</b>
Interest expenses	(83,908)	(123,994)	-32.3%
<b>Profits before income taxes</b>	<b>863,089</b>	<b>1,070,095</b>	<b>-19.3%</b>
Income taxes	(115,711)	91,962	-225.8%
<b>Net profits for the year</b>	<b>747,378</b>	<b>1,162,057</b>	<b>-35.7%</b>
<b>Attributable to:</b>			
Shareholders of the parent	714,485	1,156,291	
Minority interests	32,893	5,766	
	<b>747,378</b>	<b>1,162,057</b>	
<b>Notes to the income statements</b>			
Depreciation and amortisation	561,884	569,835	



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

	Consolidated		Company	
	2009	2008	2009	2008
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,450,525	1,726,430	224,140	1,141,842
Short-term investments	334,217	-	334,217	-
Trade accounts receivable - others, net	1,036,688	1,461,783	-	-
Trade accounts receivable - related parties	113	152	-	-
Amounts due from related parties	1,953	14,252	474,045	275,692
Short-term loans to related parties	-	1,147,989	737,102	2,080,811
Supplies and spare parts	112,940	147,515	-	-
Current portion of deferred tax assets	34,668	-	-	-
Other current assets	137,014	358,112	16,054	16,955
<b>Total current assets</b>	<b>3,108,118</b>	<b>4,856,233</b>	<b>1,785,558</b>	<b>3,515,300</b>
<b>Non-current assets</b>				
Investments in subsidiaries - cost method	-	-	5,237,264	3,543,392
Investments in associates - equity method	387,967	405,296	-	-
Other long-term investments	77,697	-	-	-
Property, plant and equipment, net	10,300,959	7,492,276	189,264	208,054
Goodwill	266,310	180,898	-	-
Intangible assets, net	16,101	16,942	959	4,097
Deferred expenses, net	84,203	-	-	-
Deferred tax assets, net	193,756	213,605	-	-
Other non-current assets	120,397	14,352	569	569
<b>Total non-current assets</b>	<b>11,447,390</b>	<b>8,323,369</b>	<b>5,428,056</b>	<b>3,756,112</b>
<b>Total assets</b>	<b>14,555,508</b>	<b>13,179,602</b>	<b>7,213,614</b>	<b>7,271,412</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade accounts payable - others	173,569	327,150	-	-
Trade accounts payable - related parties	9,958	-	-	-
Other accounts payable	826,858	952,140	2,567	2,312
Amounts due to related parties	29	51	33	17
Current portion of long-term loans				
from financial institutions	466,834	416,570	24,800	24,800
Current portion of finance lease liabilities	2,420	4,587	774	1,845
Income taxes payable	55,484	20,210	-	-
Accrued expenses	107,368	74,813	800	606
Current portion of employee benefit obligations	115,560	-	-	-
Other current liabilities	29,998	176,926	8,796	10,865
<b>Total current liabilities</b>	<b>1,788,078</b>	<b>1,972,447</b>	<b>37,770</b>	<b>40,445</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	2,073,459	1,521,857	36,000	60,800
Finance lease liabilities	4,021	5,983	-	659
Employee benefit obligations	33,285	5,373	2,960	2,065
<b>Total non-current liabilities</b>	<b>2,110,765</b>	<b>1,533,213</b>	<b>38,960</b>	<b>63,524</b>
<b>Total liabilities</b>	<b>3,898,843</b>	<b>3,505,660</b>	<b>76,730</b>	<b>103,969</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	544,903	674,537	544,903	674,537
Issued and fully paid-up	541,205	541,205	541,205	541,205
Premium on share capital	6,470,791	6,470,791	6,470,791	6,470,791
Translation adjustments for investments in foreign subsidiaries	(30,384)	(24,536)	-	-
Retained earnings				
Appropriated - legal reserves	39,717	39,717	39,717	39,717
Unappropriated	2,975,996	2,261,511	85,171	115,730
Total parent's shareholders' equity	9,997,325	9,288,688	7,136,884	7,167,443
Minority interests	659,340	385,254	-	-
<b>Total shareholders' equity</b>	<b>10,656,665</b>	<b>9,673,942</b>	<b>7,136,884</b>	<b>7,167,443</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,555,508</b>	<b>13,179,602</b>	<b>7,213,614</b>	<b>7,271,412</b>



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

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

	<b>As at 30 September 2009</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	213,167	256,087	<b>469,254</b>
Amount repayable after one year (*)	731,254	1,346,226	<b>2,077,480</b>

	<b>As at 30 September 2008</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	308,554	112,603	<b>421,157</b>
Amount repayable after one year (*)	1,221,487	306,353	<b>1,527,840</b>

(\*) Including bank overdrafts, short-term loans from financial institutions, and current portions of long-term loans and finance leases, if any.

As at 30 September 2009, there are land and buildings, one saturation diving system, one remotely operated vehicle (ROV), and two tender rigs that are mortgaged with various banks as collateral for their overdrafts and loans facilities. For more details, please read the notes to the consolidated and Company financial statements for the year that ended on 30 September 2009, which are available in the SGX's website and the Company's website.



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

	Consolidated	
	For the year that ended on 30 September	
	2009	2008
	Baht'000	Baht'000
<b>Cash flows from operating activities</b>		
Profits (losses) before income taxes	863,089	1,070,095
Adjustments for:		
Depreciation	554,433	561,255
Amortisation of intangible assets	7,451	8,580
Interest expenses	83,908	123,994
Net (gains) losses on disposals and write-off		
of property, plant and equipment and intangible assets	(21,252)	5,988
Write-off of goodwill	1,884	-
Realised (gains) losses on exchange rates	(29,834)	(10,363)
Unrealised (gains) losses on exchange rates	85,347	(86,709)
Doubtful accounts expense	-	9,468
Employee benefit obligations	143,472	2,014
Share of (profits) losses of investments in associates	17,329	(32,132)
Changes in operating assets and liabilities		
(excluding the effects of acquisition and disposal)		
- Trade accounts receivable - others	429,604	(452,870)
- Trade accounts receivable - related parties	39	109
- Amounts due from related parties	12,299	(14,163)
- Supplies and spare parts	34,575	(33,934)
- Other current assets	234,748	(111,690)
- Deferred expenses	(84,203)	-
- Other non-current assets	(106,045)	32,376
- Trade accounts payable - others	(140,096)	(46,354)
- Trade accounts payable - related parties	9,958	(46,778)
- Other accounts payable	45,498	3,215
- Amounts due to related parties	(22)	(1,218)
- Accrued expenses	32,178	(43,517)
- Other current liabilities	(122,934)	44,410
Cash generated from operations	2,051,426	981,776
- Interest paid	(83,532)	(123,502)
- Income taxes paid	(108,906)	(63,773)
<b>Net cash inflows from operating activities</b>	<b>1,858,988</b>	<b>794,501</b>



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	<b>Consolidated</b>	
	<b>For the year that ended on 30 September</b>	
	<b>2009</b>	<b>2008</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Cash flows from investing activities</b>		
Repayment of short-term loans to related parties	1,140,394	-
Short-term loans provided to related parties	-	(1,147,989)
Payments for short-term investments	(334,217)	-
Payments for investments in subsidiaries	(87,296)	(202,784)
Payments for investments in associates	-	(373,164)
Payments for other long-term investments	(77,697)	-
Proceeds from disposals of property, plant and equipment and intangible assets	32,303	17,494
Purchases of property, plant and equipment	(3,583,651)	(3,124,869)
Purchases of intangible assets	(8,347)	(12,941)
<b>Net cash (outflows) from investing activities</b>	<b>(2,918,511)</b>	<b>(4,844,253)</b>
<b>Cash flows from financing activities</b>		
Net payments for bank overdrafts	-	(20,274)
Proceeds from short-term loans from financial institutions	-	41,514
Repayments of short-term loans from financial institutions	-	(243,092)
Repayments of finance lease liabilities	(4,076)	(6,590)
Proceeds from long-term loans from financial institutions	1,361,976	170,565
Repayments of long-term loans from financial institutions	(756,167)	(395,882)
Payments for capital investments to minorities	(18,667)	(90,547)
Proceeds from issuance of share capital	-	158,000
Proceeds from share premium	-	5,244,439
Proceeds from issuance of share capital received from minorities	260,534	325,188
<b>Net cash inflows from financing activities</b>	<b>843,600</b>	<b>5,183,321</b>
Net increase (decrease) in cash and cash equivalents	(215,923)	1,133,569
Cash and cash equivalents at the beginning of the year	1,726,430	511,700
Effects of exchange rates	(59,982)	81,161
<b>Cash and cash equivalents at the end of the year</b>	<b>1,450,525</b>	<b>1,726,430</b>



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

	Consolidated 2009						Baht'000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserves	Unappropriated retained earnings	Minority interests	Total
<b>Beginning balance as at 1 October 2008</b>	541,205	6,470,791	(24,536)	39,717	2,261,511	385,254	9,673,942
Issued share capital	-	-	-	-	-	260,534	260,534
Return of capital investment from a subsidiary	-	-	-	-	-	(18,667)	(18,667)
Net profits for the year	-	-	-	-	714,485	32,893	747,378
Translation adjustments for investments in foreign subsidiaries	-	-	(5,848)	-	-	(674)	(6,522)
<b>Ending balance as at 30 September 2009</b>	<b>541,205</b>	<b>6,470,791</b>	<b>(30,384)</b>	<b>39,717</b>	<b>2,975,996</b>	<b>659,340</b>	<b>10,656,665</b>

	Company 2009				Baht'000
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Total
<b>Beginning balance as at 1 October 2008</b>	541,205	6,470,791	39,717	115,730	7,167,443
Net losses for the year	-	-	-	(30,559)	(30,559)
<b>Ending balance as at 30 September 2009</b>	<b>541,205</b>	<b>6,470,791</b>	<b>39,717</b>	<b>85,171</b>	<b>7,136,884</b>



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	Consolidated 2008						Baht'000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserves	Unappropriated retained earnings	Minority interests	Total
<b>Beginning balance as at 1 October 2007</b>	383,205	1,226,352	496	5,720	1,139,217	140,044	2,895,034
Issued share capital	158,000	5,244,439	-	-	-	325,188	5,727,627
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Effect of additional investments in subsidiaries	-	-	-	-	-	11,830	11,830
Net profits for the year	-	-	-	-	1,156,291	5,766	1,162,057
Legal reserves	-	-	-	33,997	(33,997)	-	-
Translation adjustments for investments in foreign subsidiaries	-	-	(25,032)	-	-	(7,027)	(32,059)
<b>Ending balance as at 30 September 2008</b>	<b>541,205</b>	<b>6,470,791</b>	<b>(24,536)</b>	<b>39,717</b>	<b>2,261,511</b>	<b>385,254</b>	<b>9,673,942</b>

	Company 2008						Baht'000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserves	Unappropriated retained earnings	Total	
<b>Beginning balance as at 1 October 2007</b>	383,205	1,226,352	496	5,720	1,139,217	2,754,990	
Retrospective adjustments due to change in accounting policy	-	-	(496)	-	(1,128,352)	(1,128,848)	
Beginning balance after retrospective adjustment	383,205	1,226,352	-	5,720	10,865	1,626,142	
Issued share capital	158,000	5,244,439	-	-	-	5,402,439	
Net profits for the year	-	-	-	-	138,862	138,862	
Legal reserves	-	-	-	33,997	(33,997)	-	
<b>Ending balance as at 30 September 2008</b>	<b>541,205</b>	<b>6,470,791</b>	<b>-</b>	<b>39,717</b>	<b>115,730</b>	<b>7,167,443</b>	



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

	Par value Baht	Number of registered ordinary shares Shares'000	Issued and paid-up ordinary shares Shares'000	Share premium Baht'000	Total Baht'000
As at 30 September 2008	1	674,537	541,205	6,470,791	7,011,996
Issued shares	1	3,000	-	-	-
Decrease in number of shares registered	1	(132,634)	-	-	-
As at 30 September 2009	1	544,903	541,205	6,470,791	7,011,996

At the Annual General Meeting No. 1/2009 held on 29 January 2009, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 674,537,393 to Baht 541,903,340 by means of the cancellation of 132,634,053 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated from the initial public offering and the 2008 Employee Share Option Plan. The reduction in the registered share capital was registered with the Ministry of Commerce on 10 February 2009.
- The 2009 Employee Share Option Plan ("ESOP 2009") and to issue and offer up to 3,000,000 warrants to employees (including any employees who are directors) of the Company or subsidiaries under ESOP 2009 pursuant to its terms.
- An increase in the registered share capital of the Company from Baht 541,903,340 to Baht 544,903,340 by means of the issuance of 3,000,000 ordinary shares with a par value of Baht 1 each. The increase in the registered share capital was registered with the Ministry of Commerce on 11 February 2009.
- The allocation of 3,000,000 new ordinary shares from the increase in registered capital for distribution under ESOP 2009.



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There was no transaction of treasury shares during the years that ended on 30 September 2009 and 2008.

As at 30 September 2009 and 2008, the registered share capital of the Company was Baht 544,903,340 and Baht 674,537,393, respectively.

As at 30 September 2009 and 2008, the paid-up share capital of the Company was Baht 541,205,340 and Baht 541,205,340, respectively.

Significant event after the balance sheet date in relation to the Company's share capital

At the Extraordinary General Meeting of Shareholders No.1/2009 held on 14 October 2009, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 544,903,340 to Baht 541,903,340 by means of the cancellation of 3,000,000 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under ESOP 2009. The reduction in the registered share capital was registered with the Ministry of Commerce on 15 October 2009.
- An increase in the registered share capital of the Company from Baht 541,903,340 to Baht 788,797,743 by means of issuance of 246,894,403 new ordinary shares with a par value of Baht 1 each. The increase in the registered share capital was registered with the Ministry of Commerce on 16 October 2009.
- The allocation of 243,542,403 rights shares from the increase in registered share capital for offering to registered shareholders. The rights shares issue will be offered at an issue price of SGD 0.64 for each rights share on the basis of nine new ordinary shares for every twenty existing ordinary shares with a par value of Baht 1 each in the capital of the Company.
- The allocation of 352,000 new shares from the increase in registered share capital to provide for the adjustments of the options under ESOP 2008 and the allocation of 3,000,000 new shares from the increase in registered share capital for distribution under ESOP 2009.

On 16 November 2009, the Remuneration Committee passed a resolution to approve the allocation of warrants under the approved Employee Stock Option Scheme for 2009 ("ESOP 2009") for employees totalling 891,000 warrants. One warrant can be exercised for one share. The warrant's exercise price shall be calculated based on the weighted average closing price of the Company's shares traded on the SGX-ST for the 15 consecutive trading days prior to the issue date of the warrants. The warrant holders can exercise the warrants every six months after the third anniversary of the issue date but not later than five years from the issue date.

On 16 November 2009, the Remuneration Committee passed a resolution to approve the additional allocation of warrants under the approved ESOP 2008 for employees to be totalling 300,600 warrants according to the rights issue.



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On 19 November 2009, the Company received the rights issue fund of Baht 3,696.1 million from the shareholders. The fund is split to an increase in share capital of Baht 243.5 million and share premium of Baht 3,452.6 million before deducting expenses relating to the rights issue. The additional paid-up share capital was registered with the Ministry of Commerce on 23 November 2009.

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

As at 30 September 2009 and 2008, the issued shares of the Company were 541,205,340 shares with a par value of Baht 1 per share.

As at 30 September 2009 and 2008, there were no outstanding treasury shares.

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

Not applicable, since the Company has not transacted treasury shares during the year that ended on 30 September 2009.

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

The figures have been audited by the Company's auditor, PricewaterhouseCoopers ABAS Limited, in accordance with generally accepted auditing standards applicable in Thailand ("Thai GAAP") except for item 17 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.

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

The auditor is of opinion that the consolidated and Company financial statements present fairly, in all material respects, the consolidated and Company financial statements position as at 30 September 2009, and the consolidated and Company results of operations and cash flows for the year then ended of the Company and its subsidiaries, and of the Company, respectively, in accordance with generally accepted accounting principles.

The signed auditor's report is on page 1 of the audited consolidated and Company financial statements for the year that ended on 30 September 2009, which is reported together with this announcement and is available in the SGX's website and the Company's website.

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

The same accounting policies and methods of computation as in the Group's most recently audited annual Thai GAAP financial statements have been applied.



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

There has been no change in the accounting policies and methods of computation during the year that ended on 30 September 2009.

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

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

	For the years that ended on 30 September			
	Consolidated		Company	
	2009	2008	2009	2008
Weighted average number of ordinary shares (Shares'000)	541,205	534,066	541,205	534,066
<b>Effect of dilutive potential ordinary shares</b>				
Employee Shares Option Plan (Shares'000)	335	-	335	-
Weighted average number of ordinary shares for diluted (losses) earnings (Shares'000)	541,540	534,066	541,540	534,066
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	714,485	1,156,291	(30,559)	138,862
Basic and diluted earnings (losses) per share (Baht)	1.32	2.17	(0.06)	0.26

There is no significant impact from dilutive potential ordinary shares in issue for the years that ended 30 September 2009 and 2008.

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

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

	Consolidated		Company	
	30-Sep -09 Baht	30-Sep-08 Baht	30-Sep -09 Baht	30-Sep-08 Baht
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective period	19.69	17.87	13.19	13.24



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

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

**Consolidated Income Statements**

For the year that ended on 30 September 2009 ("FY2009"), total service income of the Group was Baht 5,210 million, a decrease of Baht 75 million, or 1.4%, from Baht 5,285 million for the year that ended on 30 September 2008 ("FY2008"). The lower revenues were a result of 1) lower asset utilisation in our subsea engineering group, which resulted in revenues of Baht 1,040 million, or a 25.8% decrease from FY2008, offset by 2) strong performance by the drilling group with 94.9% asset utilisation, including higher day rates on one drilling rig, which resulted in revenues of Baht 964 million, or a 77.2% increase from FY2008. On the sub-sea engineering side, utilisation rates declined from 86.1% in FY2008 to 52.6% in FY2009. Utilisation levels bottomed out in January and February 2009 during the peak of the economic crisis and have picked up since then. Q4 FY2009 utilisation was lower primarily due to "Mermaid Commander" and "Team Siam", which accounted for a majority of the sub-sea engineering revenues in the previous quarter. "Mermaid Commander" underwent scheduled maintenance and repair, which put it off-hire for approximately 20 days. Team Siam, which was mobilised to the Middle East in the second quarter of FY2009, was off-hire for a period of approximately 30 days as one of the projects for which it had been contracted experienced a delay.

For FY2009, gross profits were Baht 1,439 million, a decrease of Baht 160 million, or 10.0%, from Baht 1,599 million for FY2008. The drilling group generated Baht 945 million of gross profits (42.7% margin), while the subsea engineering group generated Baht 494 million of gross profits (16.5% margin).

Service and administrative expenses were Baht 486 million, a decrease of Baht 246 million, or 33.6%, from Baht 732 million for FY2008. The decrease was primarily due to the reclassification of operating expenses from cost of services to service and administrative expenses in the same period last year, comprising crew, overhead, and depreciation related to assets that went off-hire of Baht 351 million. Without these reclassified expenses, service and administrative expenses in this year increased by Baht 105 million, or 27.6% from the same period last year, which was due to the effect of full year operations of Seascope Surveys Group of Baht 62 million and recognition of a portion of arrangement fees on borrowing costs and marketing expenses in relation to the expiry of a potential second rig totalling Baht 23 million and the additional employee benefit expenses mainly for the drilling business.

Operating profits were Baht 947 million, a decrease of Baht 247 million, or 20.7%, from Baht 1,194 million for FY2008. The lower operating profits were a result of loss on exchange rates of Baht 56 million (100.0% unrealised) in FY2009 versus a gain on exchange rates of Baht 160 million (68.5% unrealised) in FY2008. Excluding exchange



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gains/losses, operating profits decreased by Baht 31 million, or 3.0%, which was due to the lower utilisation rate in subsea engineering from 86.1% in FY2008 to 52.6% in FY2009, offset with higher utilisation of drilling group from 69.1% in FY2008 to 94.9% in FY2009 and the higher average day rate in the drilling group as compared with the same period last year.

The losses on exchange rates of Baht 56 million in FY2009 and Baht 160 million in FY2008 were mainly due to the translation of US Dollar assets and liabilities into Thai Baht on the balance sheet date. There is no cash flow impact from the gains or losses.

Income taxes for FY2009 and FY2008 were Baht 116 million and Baht (92) million resulting from deferred tax asset recognitions. The deferred tax assets of Baht 15 million and Baht 154 million were recognised in FY2009 and FY2008, respectively. The deferred tax assets of Baht 154 million in FY2008 were mainly from MTR-2's tax loss carry forward. Without the deferred taxes, income taxes for FY2009 would have been Baht 130 million, an increase of Baht 69 million from FY2008 due to a relocation of MTR-2 to operate in Indonesia during FY2009. The income taxes without deferred tax assets were mainly from corporate income taxes and branch profit taxes incurred from the rig operation in Indonesia.

Net profits for FY2009 were Baht 747 million, including an exchange loss of Baht 56 million, as compared to a net profit for FY2008 of Baht 1,162 million, including an exchange gain of Baht 160 million. Excluding exchange gains/losses and income taxes, net profits increased by Baht 9 million, or 1.0%.

### Business Segment Analysis

**Drilling:** The drilling segment generated 42.5% and 84.3% (\*) of the Group's total revenues and operating profit, respectively.

During the year, MTR-1 was under contract with Hess and working in Indonesia. MTR-1 completed its contract with Hess on 8 September 2009 and was demobilised to Thailand and is waiting for a new contract. MTR-2 is under contract with Chevron (Indonesia) and working in Indonesia. Average utilisation of MTR-1 and MTR-2 for the year was 94.9%.

**Subsea Engineering:** The assets in our subsea engineering segment had a 52.6% utilisation rate during the year and generated 57.5% and 25.7% (\*) of the Group's total revenues and operating profit, respectively. While asset utilisation is lower than one year ago, average day rates remain high.

(\*) Operating profit calculations include foreign exchange gains and losses.

### Consolidated Balance Sheets

Current assets had decreased by Baht 1,748 million, or 36.0%, from Baht 4,856 million in FY2008 to Baht 3,108 million in FY2009 due mainly to a decrease in (i) trade accounts receivable – others of Baht 425 million resulting from a decrease in revenues in the second half of the year from Baht 3,112 million in FY2008 to Baht 2,676 million in FY2009, (ii)



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short-term loans to related parties of Baht 1,148 million which was a result of full settlement, (iii) supplies and spare parts of Baht 35 million which was from a reduction of fuel oil, lube oil and gas in the subsea engineering group's vessels as at the balance sheet dates and (iv) other current assets of Baht 221 million which was mainly from a decrease in insurance claims receivable of Baht 95 million from full settlement and advance for business expenses of Baht 103 million.

Non-current assets had increased by Baht 3,124 million, or 37.5%, from Baht 8,323 million in FY2008 to Baht 11,447 million in FY2009 due mainly to an increase in (i) other long-term investments of Baht 78 million resulting from Nemo Subsea IS, (ii) property, plant, and equipment of Baht 2,809 million resulting from additional payments for newbuild tender rig instalments (KM-1) of Baht 946 million, newbuild vessel instalments (Mermaid Endurer) of Baht 963 million, saturation diving system instalments of Baht 396 million, ROV support vessel instalments (Mermaid Sapphire) of Baht 418 million, purchases of ROVs of Baht 287 million, and purchases of tools and equipment of Baht 353 million which were partially offset by depreciation of Baht 554 million, (iii) goodwill of Baht 87 million which was from the second and final instalment payments in respect of the acquisition of 80% shareholding in Seascope Surveys Pte. Ltd. transacted in March 2008, and (iv) deferred expenses of Baht 84 million which was mainly from deferred borrowing costs in relation to vessel and asset acquisitions.

Current liabilities had decreased by Baht 184 million, or 9.3%, from Baht 1,972 million in FY2008 to Baht 1,788 million in FY2009 due mainly to a decrease in (i) trade accounts payable – others of Baht 154 million resulting from a decrease in payment days from 31 days in FY2008 to 26 days in FY2009, and (ii) other accounts payable of Baht 125 million which was settled, which were partially offset by (i) current portion of long-term loans from financial institutions of Baht 50 million and (ii) income taxes payable of Baht 35 million. The other accounts payable means non-trade accounts payable and represent payable to third parties for asset acquisitions.

Non-current liabilities had increased by Baht 578 million, or 37.7%, from Baht 1,533 million in FY2008 to Baht 2,111 million in FY2009 resulting from additional loans for the subsea engineering group of Baht 1,362 million in relation to vessel instalments and asset acquisitions, which were partially offset by loan repayments of Baht 756 million and an unrealised gain on exchange rates of Baht 17 million.

Shareholders' funds had increased by Baht 983 million, or 10.2%, from Baht 9,674 million in FY2008 to Baht 10,657 million in FY2009 due mainly to profits generated by the Group during FY2009 of Baht 714 million and a net increase in minorities of Baht 274 million.

### **Working Capital**

The Group's working capital had decreased by Baht 1,564 million, or 54.2%, from Baht 2,884 million in FY2008 to Baht 1,320 million in FY2009. This was due mainly to a decrease in current assets by Baht 1,748 million, offset with a decrease in current liabilities by Baht 184 million as described above.



### **Consolidated Cash Flow Statements**

The Group had net cash provided by operating activities of Baht 1,859 million. This was due mainly to cash generated from operations before changes in working capital of Baht 1,706 million and cash inflows from working capital changes of Baht 346 million, offset with cash outflows for interest paid of Baht 84 million, and income tax paid of Baht 109 million.

The Group had net cash used in investing activities of Baht 2,919 million. This was due mainly to payments for property, plant, and equipment purchases of Baht 3,584 million, payments for intangible asset purchases of Baht 8 million, payments for short-term investments of Baht 334 million, payments for investments in subsidiaries, Seascope Surveys Pte. Ltd., of Baht 87 million, and payments for other long-term investment, Nemo Subsea IS, of Baht 78 million, offset by a repayment of short-term loans to related parties of Baht 1,140 million and proceeds from disposals of property, plant, and equipment and intangible assets of Baht 32 million.

The Group had net cash provided by financing activities of Baht 844 million. This was due mainly to proceeds from issuance of share capital received from minorities of Baht 261 million, and long-term loans from financial institutions of Baht 1,362 million, offset by payments on long-term loans from financial institutions of Baht 756 million, finance lease liabilities of Baht 4 million, and payments for capital investments to minorities of Baht 19 million, which was mainly from the liquidated company, Darium Thai Offshore Ltd.

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

Not applicable

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

##### Drilling

During this quarter, we experienced a similar level of activity within the tender rig global fleet as the previously reported quarter. Our tender rig MTR-1, as expected, was released by Hess Indonesia as it reached the end of its contract extension period. This rig is presently located at facilities in Thailand where it is undergoing some inspection and maintenance activities. Our tender rig MTR-2 continues to operate under its existing contract with Chevron Indonesia with the primary term due for completion in April 2010. We expect that this contract will be extended at the end of its primary term completion. Our new build tender rig KM-1 is currently being completed at the shipyard in Malaysia and is scheduled for delivery in CY Q1 2010. The rig will proceed immediately on delivery to Petronas Malaysia where it is contracted on a five year term.

Across the global tender rig fleet we still experience a reasonable utilisation rate. Some oil and gas companies who had previously cancelled or deferred their drilling programmes



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have recently issued call for tenders that will see an additional two or three rig requirements commencing February through April 2010. We have offered our MTR-1 on all tender requirements. As oil prices continue to stabilise and the global economic recovery continues, we expect to see additional requirements for tender rigs. We also believe that day rates have stabilised and as additional rigs secure new contracts there will be opportunity for day rates to increase. We continue to observe customers showing a preference for newer equipment and are in discussions with them for new build opportunity.

Subsea Engineering

During this quarter, we experienced a delayed start up to a committed project in the Middle East, which resulted in unplanned idle time for our DSV Team Siam. The vessel has since proceeded to work and continued to serve its existing contract with extension opportunities. Within the same period, our DSV Mermaid Commander returned from its successful project in Brazil taking about 38 days sailing time to return to Thailand on a reduced demobilisation rate. On arrival in Thailand, 21 days were further required to prepare the vessel for its current project with CUEL. The vessel continues to fulfil its commitment under this contract. Due to these delays, the Q4 results for MOS were impacted significantly. Since these delays, all of our subsea specialised vessels have maintained a very high utilisation rate.

Towards the end of the previous quarter, we observe a surge in requests for vessel availability as many oil and gas companies began to re-activate the work programmes and projects that had been delayed. As a result of these tenders, we expect to further secure work for our fleet and some long-term (2 – 5 year) charters for our DSV's. During this quarter, the overall impact on project and charter rates has been minimal. The subsea sector in general is not experiencing downward pressure on day rates, and in some cases, we have witnessed marginal day rate increases for the more technical vessels. We continue to successfully operate within the subsea market in the Middle East, where we are performing construction support, sat diving, ROV and survey services.

Our two newbuild DP2 DSV's are presently under construction and due for delivery Q1FY2010 and Q2 FY2010. We have experienced some project slippage on delivery on both vessels primarily due to final commissioning and testing. These vessels are very technical due to their special purpose application, which has caused the shipyards some unforeseen delays.

Our newbuild DP2 ROV vessel is scheduled for delivery in November 2009. We expect to release our chartered DP2 ROV vessel to coincide with delivery of our new build vessel.

Present market conditions have highlighted an increase in demand for our specialised fleet and we are hopeful to maintain a strong utilisation performance.



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

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

No dividend has been declared.

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

Not applicable

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

Not applicable

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

Not applicable

*(d) The date the dividend is payable.*

Not applicable

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

Not applicable

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

Not applicable



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**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13.Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Below segment information is presented by business segment of the Group’s operations.

	<b>Consolidated</b>			<b>Baht’000</b>
	<b>For the year that ended 30 September 2009</b>			
	<b>Subsea Services</b>	<b>Drilling services</b>	<b>Holding</b>	<b>Group</b>
Total service income	3,352,966	2,213,027	-	5,565,993
Inter-segment service income	(356,124)	-	-	(356,124)
<b>Service income</b>	<b>2,996,842</b>	<b>2,213,027</b>	<b>-</b>	<b>5,209,869</b>
<b>Operating profits (losses)</b>	<b>247,741</b>	<b>812,726</b>	<b>(96,141)</b>	<b>964,326</b>
Interest expenses				<b>(83,908)</b>
Income taxes				<b>(115,711)</b>
Share of losses from associates				<b>(17,329)</b>
Net profits for the year				<b>747,378</b>
				<b>747,378</b>
	<b>Consolidated</b>			<b>Baht’000</b>
	<b>As at 30 September 2009</b>			
	<b>Subsea services</b>	<b>Drilling services</b>	<b>Holding</b>	<b>Group</b>
Property, plant, equipment, and intangible assets	<b>5,007,059</b>	<b>5,119,778</b>	<b>190,223</b>	<b>10,317,060</b>
Total assets				<b>14,555,508</b>



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	Consolidated			Baht'000
	For the year that ended 30 September 2008			
	Subsea services	Drilling services	Holding	Group
Total service income	4,088,281	1,249,044	-	5,337,325
Inter-segment service income	(51,882)	-	-	(51,882)
<b>Service income</b>	<b>4,036,399</b>	<b>1,249,044</b>	<b>-</b>	<b>5,285,443</b>
<b>Operating profits</b>	<b>993,037</b>	<b>25,421</b>	<b>143,499</b>	<b>1,161,957</b>
Interest expenses				(123,994)
Income taxes				91,962
Share of profits from associates				32,132
Net profits for the year				<b>1,162,057</b>

  

	Consolidated			Baht'000
	As at 30 September 2008			
	Subsea services	Drilling services	Holding	Group
Property, plant, equipment, and intangible assets	3,049,120	4,247,947	212,151	7,509,218
Total assets				<b>13,179,602</b>



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### 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see review of performance in paragraph 8 above.

### 15. A breakdown of sales.

	For the year ended 30 September		Increased (Decreased) %
	2009	2008	
	Baht'000	Baht'000	
Sales and services reported for the first half year	2,533,705	2,172,956	16.60%
Operating profit after tax before deducting minority interests reported for the first half year	326,868	413,135	(20.88%)
Sales and services reported for the second half year	2,676,164	3,112,487	(14.02%)
Operating profit after tax before deducting minority interests reported for the second half year	521,747	840,784	(37.95%)

### 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

- (a) Ordinary
- (b) Preference
- (c) Total

Not applicable

### 17. A reconciliation of difference between Thai GAAP to IFRS.

Currently, the Company has applied IAS 12: Income Taxes, IAS 16: Property, Plant, and Equipment, IAS 18: Revenue (in relation to revenue recognition of mobilisation fee), and IAS 19: Employee Benefits in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.

#### The Effects of Changes in Foreign Exchange Rates

##### Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.



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### IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

### Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-1 Ltd., MTR-2 Ltd., and Mermaid Drilling (Malaysia) Sdn. Bhd. as considered material to the consolidated level, is in US Dollars, accounting records need to be measured in the functional currency. This would affect all balance sheet and income statements line items.

The net effects on the consolidated income statements for the years that ended on 30 September 2009 and 2008 and balance sheets as at 30 September 2009 and 2008 can be summarised as follows:

	Net effects on Consolidated Income Statement for the year that ended on 30 September 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	5,209.87	5,209.87	-
Total cost of services	3,770.86	3,776.33	5.47
Service and administrative expenses	485.61	480.10	(5.51)
Operating profits	964.33	950.07	(14.26)
Net profits for period	747.38	733.12	(14.26)

	Net effects on Consolidated Income Statement for the year that ended on 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	5,285.44	5,285.45	0.01
Total cost of services	3,686.55	3,691.31	4.76
Service and administrative expenses	731.56	726.62	(4.94)
Operating profits	1,161.96	1,099.10	(62.86)
Net profits for period	1,162.06	1,099.21	(62.85)



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	Net effects on Consolidated Balance Sheet as at 30 September 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,108.12	3,074.73	(33.39)
Total non-current assets	11,447.39	11,515.18	67.79
Total current liabilities	1,788.08	1,873.04	84.96
Total non-current liabilities	2,110.77	2,081.61	(29.16)

	Net effects on Consolidated Balance Sheet as at 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,856.23	4,808.48	(47.75)
Total non-current assets	8,323.37	8,166.21	(157.16)
Total current liabilities	1,972.45	2,029.97	57.52
Total non-current liabilities	1,533.21	1,572.46	39.25

### 18. Negative assurance on audited financial statements

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company which may render the audited financial results for the year that ended on 30 September 2009 of the Group and the Company to be false or misleading.

### BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat  
Executive Chairman  
25 November 2009