

**MERMAID MARITIME PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS (UNAUDITED)**

**31 DECEMBER 2011**



## AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and Company statements of financial position as at 31 December 2011, and the related consolidated and Company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods that ended on 31 December 2011 and 2010 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the consolidated and Company interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and Company financial statements for the year that ended on 30 September 2011 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 25 November 2011. The consolidated and Company statements of financial position as at 30 September 2011, presented for comparative purposes, are parts of the consolidated and Company financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

A handwritten signature in blue ink, appearing to read 'Kajornkiet Aroonpirodkul', enclosed within a blue ink scribble.

Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Limited

Bangkok  
13 February 2012

Mermaid Maritime Public Company Limited  
 Statements of Financial Position  
 As at 31 December 2011 and 30 September 2011

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December	30 September	31 December	30 September
Notes	2011	2011	2011	2011
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,563,427	1,352,380	376,301	377,635
Restricted deposits at financial institutions	209,954	206,484	-	-
Trade accounts receivable - others, net	1,022,554	1,661,898	-	-
Amounts due from related parties	12.2	-	33	439,086
Short-term loans to related parties	12.3	-	-	5,014,368
Supplies and spare parts	144,215	137,926	-	-
Other current assets	183,550	136,801	11,568	13,743
<b>Total current assets</b>	<b>3,123,700</b>	<b>3,495,522</b>	<b>5,841,323</b>	<b>5,736,541</b>
<b>Non-current assets</b>				
Restricted deposits at financial institutions	126,209	124,110	-	-
Investments in subsidiaries - cost method, net	5.1	-	-	4,970,999
Investments in associates	5.2	1,859,594	1,862,041	1,903,814
Property, plant, and equipment, net	6	10,964,496	11,122,394	166,527
Goodwill	332,279	332,279	-	-
Intangible assets, net	13,397	16,206	1,139	1,256
Deferred expenses	28,536	29,375	-	-
Deferred tax assets, net	101,018	99,437	-	-
Other non-current assets	10,003	22,739	833	864
<b>Total non-current assets</b>	<b>13,435,532</b>	<b>13,608,581</b>	<b>7,043,312</b>	<b>7,047,577</b>
<b>Total assets</b>	<b>16,559,232</b>	<b>17,104,103</b>	<b>12,884,635</b>	<b>12,784,118</b>

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

Mermaid Maritime Public Company Limited  
 Statements of Financial Position (Cont'd)  
 As at 31 December 2011 and 30 September 2011

	Notes	Consolidated		Company	
		Unaudited 31 December 2011 Baht'000	Audited 30 September 2011 Baht'000	Unaudited 31 December 2011 Baht'000	Audited 30 September 2011 Baht'000
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - others		135,101	187,295	-	-
Trade accounts payable - related parties	12.2	5,334	2,970	-	-
Other accounts payable		45,416	54,156	2,295	5,758
Amounts due to related parties	12.2	16,760	12,530	1,164,682	1,141,526
Current portion of long-term loans from financial institutions	7	363,531	556,747	-	-
Current portion of finance lease liabilities		1,598	1,744	1,170	1,170
Income taxes payable		25,906	19,684	-	-
Accrued expenses		152,787	279,906	11,124	7,759
Current portion of employee benefit obligations		9,045	61,031	-	-
Other current liabilities		67,709	50,482	10,021	10,681
<b>Total current liabilities</b>		<b>823,187</b>	<b>1,226,545</b>	<b>1,189,292</b>	<b>1,166,894</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	7	3,360,061	3,409,963	-	-
Finance lease liabilities		2,790	3,277	1,075	1,366
Employee benefit obligations		25,773	22,703	3,284	2,908
<b>Total non-current liabilities</b>		<b>3,388,624</b>	<b>3,435,943</b>	<b>4,359</b>	<b>4,274</b>
<b>Total liabilities</b>		<b>4,211,811</b>	<b>4,662,488</b>	<b>1,193,651</b>	<b>1,171,168</b>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital					
Ordinary shares					
791,213,843 shares of par					
Baht 1 each					
	8	791,214	791,214	791,214	791,214
Issued and paid-up share capital					
Ordinary shares					
784,747,743 shares of paid-up					
Baht 1 each					
	8	784,748	784,748	784,748	784,748
Premium on share capital		9,818,420	9,818,420	9,818,420	9,818,420
Exchange differences on translating financial statements		(213,919)	(197,695)	-	-
Retained earnings					
Appropriated - legal reserves					
		78,475	78,475	78,475	78,475
Unappropriated					
		1,773,251	1,858,659	1,009,341	931,307
<b>Equity attributable to owners of the parent</b>		<b>12,240,975</b>	<b>12,342,607</b>	<b>11,690,984</b>	<b>11,612,950</b>
Non-controlling interests		106,446	99,008	-	-
<b>Total shareholders' equity</b>		<b>12,347,421</b>	<b>12,441,615</b>	<b>11,690,984</b>	<b>11,612,950</b>
<b>Total liabilities and shareholders' equity</b>		<b>16,559,232</b>	<b>17,104,103</b>	<b>12,884,635</b>	<b>12,784,118</b>

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

Mermaid Maritime Public Company Limited  
 Statements of Comprehensive Income (Unaudited)  
 For the three-month periods that ended on 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Service income		1,151,411	1,112,509	-	-
Cost of services		(1,024,548)	(1,084,778)	-	-
<b>Gross profits</b>		<b>126,863</b>	<b>27,731</b>	<b>-</b>	<b>-</b>
Management fee income	12.1	-	27,394	22,695	71,494
Dividend income	12.1	-	-	-	1,400,540
Interest income		2,554	1,436	34,925	21,657
Other income		1,155	3,823	2,774	3,359
Administrative expenses		(183,316)	(153,271)	(43,819)	(34,113)
Gains (losses) on exchange rates		36,406	(16,083)	61,459	(57,452)
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment		1,096	(11,985)	-	-
<b>Operating profits (losses)</b>		<b>(15,242)</b>	<b>(120,955)</b>	<b>78,034</b>	<b>1,405,485</b>
Share of losses of investments in associates	5.2	(2,447)	(1,353)	-	-
<b>Profits (losses) before finance costs and income taxes</b>		<b>(17,689)</b>	<b>(122,308)</b>	<b>78,034</b>	<b>1,405,485</b>
Finance costs		(45,171)	(43,616)	-	(257)
<b>Profits (losses) before income taxes</b>		<b>(62,860)</b>	<b>(165,924)</b>	<b>78,034</b>	<b>1,405,228</b>
Income taxes		(15,726)	(23,773)	-	-
<b>Profits (losses) for the period</b>		<b>(78,586)</b>	<b>(189,697)</b>	<b>78,034</b>	<b>1,405,228</b>
<b>Other comprehensive income (expenses):</b>					
Exchange differences on translating financial statements		(15,608)	(12,744)	-	-
<b>Total comprehensive income (expenses) for the period</b>		<b>(94,194)</b>	<b>(202,441)</b>	<b>78,034</b>	<b>1,405,228</b>
<b>Profits (losses) attributable to:</b>					
Owners of the parent		(85,408)	(187,728)	78,034	1,405,228
Non-controlling interests		6,822	(1,969)	-	-
		<b>(78,586)</b>	<b>(189,697)</b>	<b>78,034</b>	<b>1,405,228</b>
<b>Total comprehensive income (expenses) attributable to:</b>					
Owners of the parent		(101,632)	(200,223)	78,034	1,405,228
Non-controlling interests		7,438	(2,218)	-	-
		<b>(94,194)</b>	<b>(202,441)</b>	<b>78,034</b>	<b>1,405,228</b>
<b>Earnings (losses) per share</b>					
Basic and diluted earnings (losses) per share (Baht)	9	(0.11)	(0.24)	0.10	1.79

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

Mermaid Maritime Public Company Limited  
 Statements of Changes in Shareholders' Equity (Unaudited)  
 For the three-month periods that ended on 31 December 2011 and 2010

	Consolidated						Baht' 000		
	Attributable to owners of the parent								
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other comprehensive income	Other components of equity			
				Exchange differences on translating financial statements	Total other components of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity	
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	1,858,659	(197,695)	(197,695)	12,342,607	99,008	12,441,615
Net losses for the period	-	-	-	(85,408)	-	-	(85,408)	6,822	(78,586)
Exchange differences on translating financial statements	-	-	-	-	(16,224)	(16,224)	(16,224)	616	(15,608)
Ending balance as at 31 December 2011	784,748	9,818,420	78,475	1,773,251	(213,919)	(213,919)	12,240,975	106,446	12,347,421

	Company				Baht' 000
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	931,307	11,612,950
Net profits for the period	-	-	-	78,034	78,034
Ending balance as at 31 December 2011	784,748	9,818,420	78,475	1,009,341	11,690,984

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

Mermaid Maritime Public Company Limited  
 Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)  
 For the three-month periods that ended on 31 December 2011 and 2010

	Consolidated							Bahr' 000
	Attributable to owners of the parent							
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity		Total owners of the parent	
Other comprehensive income					Total other components of equity	Non-controlling interests		Total shareholders' equity
	Exchange differences on translating financial statements							
<b>Beginning balance as at 1 October 2010</b>	784,748	9,818,420	39,717	2,519,918	(270,702)	12,892,101	89,688	12,981,789
Net losses for the period	-	-	-	(187,728)	-	(270,702)	(1,969)	(189,697)
Exchange differences on translating financial statements	-	-	-	-	(12,495)	(12,495)	(249)	(12,744)
<b>Ending balance as at 31 December 2010</b>	<u>784,748</u>	<u>9,818,420</u>	<u>39,717</u>	<u>2,332,190</u>	<u>(283,197)</u>	<u>12,691,878</u>	<u>87,470</u>	<u>12,779,348</u>

	Company				Bahr' 000
	Unappropriated retained earnings (deficit)				
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Total shareholders' equity	
<b>Beginning balance as at 1 October 2010</b>	784,748	9,818,420	39,717	(207,604)	10,435,281
Net profits for the period	-	-	-	1,405,228	1,405,228
<b>Ending balance as at 31 December 2010</b>	<u>784,748</u>	<u>9,818,420</u>	<u>39,717</u>	<u>1,197,624</u>	<u>11,840,509</u>

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

**Mermaid Maritime Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the three-month periods that ended on 31 December 2011 and 2010**

	Notes	Consolidated		Company	
		2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
<b>Cash flows from operating activities</b>					
Profits (losses) before income taxes		(62,860)	(165,924)	78,034	1,405,228
Adjustments for:					
Depreciation	6.1	219,225	249,363	4,166	4,361
Amortisation of intangible assets		2,147	2,244	140	154
Finance costs		45,171	43,616	-	257
Net (gains) losses on disposals, write-offs, and impairment losses of property, plant, and equipment		(1,096)	11,985	-	-
Realised (gains) losses on exchange rates		(22,594)	31,159	(34)	39,523
Unrealised (gains) losses on exchange rates		(13,812)	(15,076)	(61,425)	17,929
Employee benefit obligations		5,237	14,649	376	224
Dividend income	12.1	-	-	-	(1,400,540)
Share of losses of investments in associates	5.2	2,447	1,353	-	-
Exchange rates gains from translation of overseas subsidiaries		(29,220)	(3,984)	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Restricted deposits at financial institutions		(6)	-	-	-
- Trade accounts receivable - others		674,173	(453,756)	-	-
- Trade accounts receivable - related parties		-	169	-	-
- Amounts due from related parties		33	(30,613)	(36,102)	(93,785)
- Supplies and spare parts		(6,289)	(2,006)	-	-
- Other current assets		(41,739)	(44,710)	2,900	(2,628)
- Deferred expenses		839	3,032	-	-
- Other non-current assets		12,736	925	31	(120)
- Trade accounts payable - others		(48,275)	87,490	-	-
- Trade accounts payable - related parties		2,364	(3,600)	-	2
- Other accounts payable		(9,566)	19,186	(3,441)	(256)
- Amounts due to related parties		4,230	885	6,421	1,873
- Accrued expenses		(125,603)	(8,725)	3,365	6,184
- Other current liabilities		16,035	21,900	(660)	2,476
Cash generated from operations		623,577	(240,438)	(6,229)	(19,118)
- Finance costs paid		(44,106)	(43,695)	-	(257)
- Income taxes paid		(16,222)	(11,024)	(724)	(281)
- Employee benefits paid		(55,845)	(20,204)	-	-
<b>Net cash inflows (outflows) from operating activities</b>		<b>507,404</b>	<b>(315,361)</b>	<b>(6,953)</b>	<b>(19,656)</b>

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



Mermaid Maritime Public Company Limited  
 Statements of Cash Flows (Unaudited) (Cont'd)  
 For the three-month periods that ended on 31 December 2011 and 2010

	Consolidated		Company	
	2011	2010	2011	2010
Note	Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>				
Short-term loans provided to related parties	-	-	-	(530,286)
Payments for short-term investments	-	(594,789)	-	(594,789)
Payments for investments in associates	-	(1,456,631)	-	(1,456,631)
Proceeds from disposals of property, plant, and equipment and intangible assets	8,035	17,518	-	-
Payments for purchases of property, plant, and equipment	(55,135)	(103,694)	(49)	(5,920)
Payments for purchases of intangible assets	(704)	(1,638)	(23)	(274)
<b>Net cash outflows from investing activities</b>	<b>(47,804)</b>	<b>(2,139,234)</b>	<b>(72)</b>	<b>(2,587,900)</b>
<b>Cash flows from financing activities</b>				
Repayments of finance lease liabilities	(669)	(1,020)	(293)	-
Repayments of long-term loans from financial institutions	7 (292,022)	(179,649)	-	(6,200)
<b>Net cash outflows from financing activities</b>	<b>(292,691)</b>	<b>(180,669)</b>	<b>(293)</b>	<b>(6,200)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>166,909</b>	<b>(2,635,264)</b>	<b>(7,318)</b>	<b>(2,613,756)</b>
Cash and cash equivalents at the beginning of the period	1,352,380	3,742,938	377,635	3,375,758
Effects of exchange rates	44,138	(42,514)	5,984	(45,730)
<b>Cash and cash equivalents at the end of the period</b>	<b>1,563,427</b>	<b>1,065,160</b>	<b>376,301</b>	<b>716,272</b>

**Non-cash transactions**

During the three-month periods that ended on 31 December 2011 and 2010, the following significant non-cash transactions occurred:

Unpaid liabilities for purchases of equipment	8,332	34,244	-	-
Unpaid liabilities under finance lease agreements for purchase of computer hardware	2,244	-	2,244	-

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

## **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 (“SGX-ST”). The address of its registered office is as follows:

26/28-29 Orakarn Building, 9<sup>th</sup> floor  
Soi Chidlom, Ploenchit Road  
Kwaeng Lumpinee, Khet Pathumwan  
Bangkok 10330, Thailand.

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

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand and listed in the Stock Exchange of Thailand.

These interim consolidated and Company financial statements have been approved for issue by the Board of Directors on 13 February 2012.

These interim consolidated and Company financial statements have been reviewed and are not audited.

## **2 Basis of preparation**

These interim consolidated and Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547. The primary financial statements (i.e., statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting”.

These interim consolidated and Company financial statements should be read in conjunction with the 2011 annual financial statements.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

## **3 Summary of significant accounting policies**

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year that ended on 30 September 2011, except as described in Notes 3.1 and 3.2.

### 3 Summary of significant accounting policies (Cont'd)

#### New Thai accounting standards ("TAS"), new financial reporting standards, new interpretations, and amendments to accounting standards

3.1 New Thai accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards are effective for the periods beginning on or after 1 January 2011 and adopted by the Group, excepted for IAS 16 "Property, Plant and Equipment" and IAS 19 "Employee Benefits" which the Group has adopted since the fiscal year 2007. TAS 16 (Revised 2009) and TAS 19 are equivalent to these IAS.

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related-Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held-for-sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

- TAS 1 (Revised 2009): The revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 October 2011. The Group chooses to present a single statement of comprehensive income.
- TAS 23 (Revised 2009): The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs was removed. The Group has adopted the standard prospectively from 1 October 2011 but it is not expected to have any impact on the Group's financial statement, because the Group has already applied the capitalised model.

3 Summary of significant accounting policies (Cont'd)

**New Thai accounting standards ("TAS"), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)**

3.1 New Thai accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards are effective for the periods beginning on or after 1 January 2011 and adopted by the Group, excepted for IAS 16 "Property, Plant and Equipment" and IAS 19 "Employee Benefits" which the Group has adopted since the fiscal year 2007. TAS 16 (Revised 2009) and TAS 19 are equivalent to these IAS. (Cont'd)

- TAS 24 (Revised 2009): The definition of 'related party' has been expanded to include parties with joint control over the entity, a joint venture in which the entity is a venture, and a post-employment benefit plan for the benefit of employees of an entity. The Group has adopted the revised standard with effect from 1 October 2011, which may have an impact only on the disclosure of related parties' information in the notes to financial statements.
- TAS 27 (Revised 2009): The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted the standard prospectively for transactions with non-controlling interests with effect from 1 October 2011.
- TAS 28 (Revised 2009): On the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gains or losses in profit or loss. The Group has adopted the revised standard with effect from 1 October 2011.
- TAS 38 (Revised 2009): The revised standard clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The Group has adopted the revised standard with effect from 1 October 2011. The standard will not result in a material impact on the Group or Company's financial statements.
- TFRS 3 (Revised 2009): The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group has adopted the revised standard prospectively to all business combinations with effect from 1 October 2011.

3.2 New Thai accounting standards, amendments to accounting standards, and new interpretations are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them, excepted for IAS 12 "Income Taxes" which the Group has adopted since the fiscal year 2007. TAS 12 is equivalent to this IAS.

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3 Summary of significant accounting policies (Cont'd)

**New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)**

3.2 New Thai accounting standards, amendments to accounting standards, and new interpretations are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them, excepted for IAS 12 “Income Taxes” which the Group has adopted since the fiscal year 2007. TAS 12 is equivalent to this IAS. (Cont'd)

- TAS 21 (Revised 2009): The revised standard requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary items denominated in foreign currencies are recognised in profit or loss. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard with effect from 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

The Group’s management has determined that the new accounting standards, amendments to accounting standards, and new interpretation will not significantly impact the financial statements being presented.

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4 Business segment information

The segment results for the three-month periods that ended on 31 December 2011 and 2010 are as follows:

	Consolidated			Baht'000
	For the three-month period that ended on 31 December 2011			
	Subsea services	Drilling services	Survey services	Group
Total service income	915,143	233,919	329,049	1,478,111
Inter-segment service income	(216,678)	-	(110,022)	(326,700)
Service income	698,465	233,919	219,027	1,151,411
Operating profits (losses)	(86,425)	50,140	33,284	(15,242)
Share of losses from associates				(2,447)
Finance costs				(45,171)
Income taxes				(15,726)
Net losses for the period				(78,586)

**Mermaid Maritime Public Company Limited**  
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**4 Business segment information (Cont'd)**

The segment results for the three-month periods that ended on 31 December 2011 and 2010 are as follows: (Cont'd)

	Consolidated			Baht'000
	For the three-month period that ended on 31 December 2010			
	Subsea services	Drilling services	Survey services	Group
Total service income	1,025,817	266,752	122,653	1,415,222
Inter-segment service income	(250,896)	-	(51,817)	(302,713)
Service income	774,921	266,752	70,836	1,112,509
Operating profits (losses)	(129,847)	47,323	(4,474)	(120,955)
Share of losses from associates				(1,353)
Finance costs				(43,616)
Income taxes				(23,773)
Net losses for the period				(189,697)

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**5 Investments in subsidiaries and associates**

Investments in subsidiaries and associates comprise investments in the following companies:

Name	Classification	Country of incorporation	Percentage of holding	
			As at 31 December 2011	As at 30 September 2011
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Subsidiary	Thailand	100.0	100.0
Nemo Subsea AS	Subsidiary	Norway	100.0	100.0
Nemo Subsea IS	Subsidiary	Norway	97.0 <sup>(1)</sup>	97.0 <sup>(1)</sup>
Seascope Surveys (Thailand) Ltd.	Subsidiary	Thailand	80.0	80.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	80.0	80.0
PT Seascope Surveys Indonesia	Subsidiary	Indonesia	97.0	97.0
Subtech Ltd., which has two subsidiaries as follows:	Subsidiary	Seychelles	100.0	100.0
Subtech Qatar Diving and Marine Services LLC	Subsidiary	Qatar	97.0	97.0
Subtech Saudi Arabia Limited	Subsidiary	Saudi Arabia	70.0	70.0
Mermaid Offshore Services PTY LTD	Subsidiary	Australia	100.0	100.0
Mermaid Offshore Services Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Subsidiary	Thailand	95.0	95.0
MTR-1 Ltd.	Subsidiary	Thailand	100.0	100.0
MTR-2 Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia	100.0	100.0
MTR-1 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
MTR-2 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Training and Technical Services Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	100.0	100.0
MTR-3 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Asia Offshore Drilling Limited, which has four subsidiaries as follows:	Associate	Bermuda	33.75	33.75
Asia Offshore Rig 1 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 2 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 3 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Drilling Pte. Ltd.	Associate	Singapore	100.0	100.0

<sup>(1)</sup> Investment portion of 97.0% represents Mermaid Offshore Services Ltd.'s direct ownership in Nemo Subsea IS. Another 3.0% of Nemo Subsea IS's interest is owned by Nemo Subsea AS.



5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries

The movement of investments in subsidiaries during the three-month period that ended on 31 December 2011 is as follows:

	<b>Company Baht'000</b>
Opening balance	5,237,264
<u>Less</u> Allowance for impairment loss of investments in a subsidiary	<u>(266,265)</u>
Opening net book amount	4,970,999
Movements	-
Closing net book amount	<u>4,970,999</u>

5.2 Investments in associates

The movement of investments in associates during the three-month period that ended on 31 December 2011 is as follows:

	<b>Consolidated Baht'000</b>	<b>Company Baht'000</b>
Beginning balance	1,862,041	1,903,814
Share of losses of investments in associates	<u>(2,447)</u>	<u>-</u>
Ending balance	<u>1,859,594</u>	<u>1,903,814</u>

6 Property, plant, and equipment, net

- 6.1 The movements of property, plant, and equipment during the three-month period that ended on 31 December 2011 are as follows:

	Consolidated Baht'000	Company Baht'000
Opening net book amount	11,122,394	170,644
Additions	56,173	49
Disposals	(5,238)	-
Depreciation charges	(219,225)	(4,166)
Translation adjustments	10,392	-
Closing net book amount	<u>10,964,496</u>	<u>166,527</u>

**Consolidated**

The significant additions during the three-month period that ended on 31 December 2011 were:

- a) payments for dry-docking of vessel and drilling rig totalling Baht 31.28 million;
- b) payments for vessels and rig equipment totalling Baht 16.49 million.

- 6.2 Property, plant, and equipment as at 31 December 2011 and 30 September 2011 used as collateral for loan facilities can be summarised as follows:

There are land and buildings, three remotely operated vehicles, a support vessel, and a tender rig that are mortgaged with various banks as collateral for their overdrafts and loans. These assets are mortgaged at a total value of Baht 1,583 million and USD 65 million (30 September 2011: Baht 1,583 million and USD 117.6 million in respect of land and buildings, three remotely operated vehicles, two support vessels, and a tender rig).

- 6.3 The depreciation charges during the three-month periods that ended on 31 December are as follows:

	For the three-month periods that ended on 31 December			
	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Depreciation charged to				
- Cost of services	212,722	242,285	-	-
- Administrative expenses	6,503	7,078	4,166	4,361
	<u>219,225</u>	<u>249,363</u>	<u>4,166</u>	<u>4,361</u>

During the three-month period that ended on 31 December 2011, the Group has reviewed the estimated useful lives of the vessel and has revised the estimated useful lives of certain vessel components from 5-20 years to 5-30 years to be in line with the current use of assets. The effect from the change was reflected prospectively commencing the three-month period that ended on 31 December 2011. The depreciation for the previous and new accounting estimates can be summarised as follows:

	Consolidated	
	Previous Accounting estimate Baht'000	New accounting estimate Baht'000
Depreciation charged for the three-month period that ended on 31 December 2011	<u>246,678</u>	<u>219,225</u>

7 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	31 December 2011 Baht'000	30 September 2011 Baht'000	31 December 2011 Baht'000	30 September 2011 Baht'000
Current portion of long-term loans	363,531	556,747	-	-
Long-term portion of loans	3,360,061	3,409,963	-	-
Loans from financial institutions	3,723,592	3,966,710	-	-

The movements of long-term loans from financial institutions for the three-month periods that ended on 31 December 2011 are as follows:

	Consolidated Baht'000	Company Baht'000
Beginning balance	3,966,710	-
Repayments during period	(292,022)	-
Realised gains on exchange rates	(191)	-
Unrealised losses on exchange rates	50,932	-
Translation adjustments	(1,837)	-
Ending balance	3,723,592	-

As at 31 December 2011, the total outstanding amounts of long-term loans granted by local and overseas commercial banks are Baht 633.7 million and USD 97.1 million (30 September 2011: Baht 653.9 million and USD 105.9 million). Certain loans are secured by mortgages of the Group's assets as mentioned in Note 6.2 and are guaranteed by the Company and certain subsidiaries.

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

**Borrowing facilities**

The Company's subsidiary has the following undrawn committed long-term borrowing facilities:

	31 December 2011	
	Consolidated USD Million	Company USD Million
<b>Floating interest rate</b> - expiring within one year	45	-

  

	30 September 2011	
	Consolidated USD Million	Company USD Million
<b>Floating interest rate</b> - expiring within one year	45	-

**8 Share capital and premium on share capital**

For the three-month period that ended on 31 December 2011:

	Par value Baht	Number of registered ordinary shares Shares'000	Issued and paid-up ordinary shares Shares'000	Premium on share capital Baht'000	Total Baht'000
As at 30 September 2011	1	791,214	784,748	9,818,420	10,603,168
Movements	-	-	-	-	-
As at 31 December 2011	1	791,214	784,748	9,818,420	10,603,168

As at 31 December 2011 and 30 September 2011, all issued shares were fully paid.

**9 Earnings (losses) per share**

Basic earnings (losses) per share are calculated by dividing the net profits (losses) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has an Employee Share Option Plan in issue.

A calculation is done to determine the potential number of shares that could have been acquired at market price (using the average share price of the Company's shares during the period) and the potential additional shares that would have been issued based on the outstanding Employee Share Option Plan. The potential shares are added to the ordinary shares outstanding, but no adjustment is made to net profit.

For the calculation of the diluted earnings (losses) per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares for the three-month period that ended on 31 December 2011 are 784,747,743 shares (31 December 2010: 785,065,945 shares).

	For the three-month periods that ended on 31 December			
	Consolidated		Company	
	2011	2010	2011	2010
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
<b>Effect of dilutive potential ordinary shares</b>				
Employee Shares Option Plan (Shares'000)	-	318	-	318
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	784,748	785,066	784,748	785,066
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(85,408)	(187,728)	78,034	1,405,228
Basic and diluted earnings (losses) per share (Baht)	(0.11)	(0.24)	0.10	1.79

## 10 Guarantees

As at 31 December 2011 and 30 September 2011, the Group and the Company have outstanding guarantees as follows:

	Consolidated					
	31 December 2011			30 September 2011		
	Baht'000	USD'000	QAR'000	Baht'000	USD'000	QAR'000
Letters of guarantee issued by banks in the normal course of business	15,600	734	15	15,600	689	-
A guarantee for long-term loans of subsidiaries to financial institutions	633,702	95,739	-	653,926	104,425	-

  

	Company				
	31 December 2011		30 September 2011		
	Baht'000	USD'000	Baht'000	USD'000	
Letters of guarantee issued by banks in the normal course of business		400	-	400	-
A guarantee for long-term loans of subsidiaries to financial institutions		633,702	95,739	653,926	104,425

## 11 Commitments

### (a) Capital commitments

	Consolidated		Company	
	31 December 2011	30 September 2011	31 December 2011	30 September 2011
	USD'000	USD'000	USD'000	USD'000
Dry-docking contract - US Dollar	931	-	-	-

### (b) Services agreement

As at 31 December 2011, the Group has one outstanding drilling services agreement. The remaining agreement period is 3 months.

### (c) Other commitments

As at 31 December 2011, the Group has other commitments approximately Baht 64.9 million.

12 Related party transactions

Significant related party transactions are as follows:

12.1 Transactions with related parties

Significant related party transactions between the Company and its subsidiaries, associates, and other related parties which mean the group companies of Thoresen Thai Agencies Public Company Limited are as follows:

	For the three-month periods that ended on 31 December			
	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
<b>Revenues</b>				
<u>Management fee income</u>				
Subsidiaries	-	-	22,695	44,100
Associates	-	27,394	-	27,394
	-	27,394	22,695	71,494
<u>Dividend income</u>				
Subsidiary	-	-	-	1,400,540
The Board of Directors Meeting of Mermaid Offshore Services Ltd., a subsidiary, held on 27 December 2010 approved to pay interim dividends in respect of the accumulated retained earnings from BOI activities of Baht 4.78 per share amounting to Baht 1,400,540,000.				
<u>Interest income</u>				
Subsidiaries	-	-	34,720	20,544
<u>Rental income</u>				
Subsidiaries	-	-	1,678	1,693
Other related party	163	442	163	442
	163	442	1,841	2,135
<b>Expenses</b>				
<u>Cost of services</u>				
Other related party	5,339	5,586	-	-
<u>Other administrative expenses</u>				
Other related party	5,447	906	3,949	906

There has been no significant change to the Group's policies in respect of related party transactions during the three-month period that ended on 31 December 2011.

12 Related party transactions (Cont'd)

12.2 Accounts receivable and payable - related parties

	Consolidated		Company	
	31 December 2011 Baht'000	30 September 2011 Baht'000	31 December 2011 Baht'000	30 September 2011 Baht'000
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	439,086	412,021
Other related parties	-	33	-	33
	-	33	439,086	412,054
<u>Trade accounts payable</u>				
Other related parties	5,334	2,970	-	-
<u>Amounts due to related parties</u>				
Subsidiaries	-	-	1,147,922	1,128,996
Other related parties	16,760	12,530	16,760	12,530
	16,760	12,530	1,164,682	1,141,526

12.3 Short-term loans to related parties

	Interest rate (%)	Consolidated		Company	
		31 December 2011 Baht'000	30 September 2011 Baht'000	31 December 2011 Baht'000	30 September 2011 Baht'000
Subsidiaries					
- Baht	2.75%	-	-	676,540	676,540
- US Dollar	2.75%	-	-	4,337,828	4,256,569
		-	-	5,014,368	4,933,109

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

**13 Subsequent event**

At the Annual General Meeting of Shareholders No.1/2012 held on 26 January 2012, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 791,213,843 to Baht 788,308,843 by means of the cancellation of 2,905,000 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under the Employee Stock Option Plans (“ESOP”) for 2008, 2009, 2010, and 2011.
- The issue and offer up to 4,000,000 free warrants to directors and employees of the Company or subsidiaries under ESOP 2012 pursuant to its terms.
- An increase in the registered share capital of the Company from Baht 788,308,843 to Baht 792,308,843 by means of issuance of 4,000,000 new ordinary shares with a par value of Baht 1 each.
- The allocation of 4,000,000 new ordinary shares from the increase in registered share capital for distribution under ESOP 2012.

The ESOP 2012 is required to be approved by the Annual General Meeting of Shareholders No. 1/2012 held on 31 January 2012 of Thoresen Thai Agencies Public Company Limited (“TTA”), the parent company, as required by the notification No. Tor Jor 32/2551 of the Securities and Exchange Commission of Thailand. However, at TTA’s Annual General Meeting of Shareholders on 31 January 2012, approval was not given, and consequently the ESOP 2012 programme will not be implemented. Prior ESOP programmes in effect are not affected by this outcome.