

MERMAID MARITIME PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

30 SEPTEMBER 2012



AUDITOR'S REPORT

To the Shareholders of Mermaid Maritime Public Company Limited

I have audited the accompanying consolidated and Company statements of financial positions as at 30 September 2012 and 2011, and the related consolidated and Company statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended 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 financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 30 September 2012 and 2011, and the consolidated and Company results of operations and cash flows for the years then ended of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, in accordance with generally accepted accounting principles.

A handwritten signature in blue ink, appearing to read 'Kajornkiet Aroonpirodkul', with a large, stylized initial 'C' above it.

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

Bangkok
26 November 2012

Mermaid Maritime Public Company Limited
Statements of Financial Positions
As at 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Assets					
Current assets					
Cash and cash equivalents	5	1,916,973	1,352,380	619,922	377,635
Restricted deposits at financial institutions	6	-	206,484	-	-
Trade accounts receivable - others, net	7	1,521,248	1,661,898	-	-
Other receivables	8	256,621	104,307	3,316	2,992
Advances to third party	9	286,707	-	-	-
Amounts due from related parties	29.2	-	-	514,200	412,021
Short-term loans to related parties	29.3	-	-	4,621,503	4,933,109
Supplies and spare parts		166,157	137,926	-	-
Other current assets	10	51,874	32,527	804	10,784
Total current assets		4,199,580	3,495,522	5,759,745	5,736,541
Non-current assets					
Restricted deposits at financial institutions	6	122,777	124,110	-	-
Investments in subsidiaries	11.1	-	-	4,970,999	4,970,999
Investments in associates	11.2	1,852,378	1,862,041	1,903,814	1,903,814
Property, plant, and equipment, net	12	10,718,929	11,122,394	156,088	170,644
Goodwill		332,279	332,279	-	-
Intangible assets, net	13	13,031	16,206	1,247	1,256
Deferred expenses		26,459	29,375	-	-
Deferred tax assets, net	14	85,694	99,437	-	-
Other non-current assets	15	6,359	22,739	569	864
Total non-current assets		13,157,906	13,608,581	7,032,717	7,047,577
Total assets		17,357,486	17,104,103	12,792,462	12,784,118

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
Statements of Financial Positions (Cont'd)
As at 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		327,302	187,311	-	-
Other accounts payable		14,077	57,110	3,501	5,758
Amounts due to related parties	29.2	24,892	12,530	1,154,480	1,141,526
Current portion of long-term loans from financial institutions	16	209,209	556,747	-	-
Current portion of finance lease liabilities		1,501	1,744	1,170	1,170
Current portion of share subscription payable	11.1	33,823	-	-	-
Income taxes payable		35,484	19,684	-	-
Accrued expenses		354,984	279,906	10,296	7,759
Current portion of employee benefit obligations	17	-	61,031	-	-
Other current liabilities		44,711	50,482	8,489	10,681
Total current liabilities		1,045,983	1,226,545	1,177,936	1,166,894
Non-current liabilities					
Long-term loans from financial institutions	16	3,866,496	3,409,963	-	-
Finance lease liabilities		1,089	3,277	196	1,366
Long-term portion of share subscription payable	11.1	42,207	-	-	-
Employee benefit obligations	17	30,669	22,703	4,249	2,908
Total non-current liabilities		3,940,461	3,435,943	4,445	4,274
Total liabilities		4,986,444	4,662,488	1,182,381	1,171,168
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares					
791,213,843 shares of par Baht 1 each	18	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	18	784,748	784,748	784,748	784,748
Premium on share capital	18	9,818,420	9,818,420	9,818,420	9,818,420
Retained earnings					
Appropriated - legal reserves	19	78,475	78,475	78,475	78,475
Unappropriated		1,930,146	1,858,659	928,072	931,307
Other components of equity		(308,081)	(197,695)	366	-
Equity attributable to owners of the parent		12,303,708	12,342,607	11,610,081	11,612,950
Non-controlling interests		67,334	99,008	-	-
Total shareholders' equity		12,371,042	12,441,615	11,610,081	11,612,950
Total liabilities and shareholders' equity		17,357,486	17,104,103	12,792,462	12,784,118

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
Statements of Comprehensive Income
For the years that ended on 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Service income		5,714,142	5,542,823	-	-
Cost of services		(4,511,570)	(4,788,639)	-	-
Gross profits		1,202,572	754,184	-	-
Management fee income	29.1	-	147,601	70,380	238,374
Dividend income	29.1	-	-	-	1,400,540
Interest income		11,312	6,613	130,707	94,778
Other income		18,326	187,599	12,268	90,349
Administrative expenses		(787,351)	(718,957)	(174,103)	(196,944)
Gains (losses) on exchange rates		56,379	21,208	(39,527)	31,699
Net losses on disposals and write-offs of property, plant, and equipment and intangible assets		(2,340)	(8,805)	-	(9)
Impairment losses of property, plant, and equipment and deposits	12.1	-	(203,736)	-	-
Impairment losses of investments in a subsidiary		-	-	-	(24,729)
Operating profits (losses)		498,898	185,707	(275)	1,634,058
Share of losses of investments in associates	11.2	(9,663)	(41,773)	-	-
Profits (losses) before finance costs and income taxes		489,235	143,934	(275)	1,634,058
Finance costs	21	(284,897)	(228,916)	-	(1,235)
Profits (losses) before income taxes		204,338	(84,982)	(275)	1,632,823
Income taxes	22	(118,316)	(76,371)	(2,960)	-
Net profits (losses) for the year		86,022	(161,353)	(3,235)	1,632,823
Other comprehensive income (expenses):					
Exchange differences on translating financial statements		(22,150)	75,086	-	-
Total comprehensive income (expenses) for the year		63,872	(86,267)	(3,235)	1,632,823
Profits (losses) attributable to:					
Owners of the parent		71,487	(167,347)	(3,235)	1,632,823
Non-controlling interests		14,535	5,994	-	-
		86,022	(161,353)	(3,235)	1,632,823
Total comprehensive income (expenses) attributable to:					
Owners of the parent		50,017	(94,340)	(3,235)	1,632,823
Non-controlling interests		13,855	8,073	-	-
		63,872	(86,267)	(3,235)	1,632,823
Earnings (losses) per share	23				
Basic and diluted earnings (losses) per share (Baht)		0.09	(0.21)	(0.00)	2.08

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the years that ended on 30 September 2012 and 2011

Consolidated										Baht'000	
Attributable to owners of the parent											
Other components of equity											
Other comprehensive expenses											
Exchange differences											
on translating financial statements											
Notes	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Share-based payment	Other changes from owner	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	
Increase from additional investments in subsidiaries	11.1	-	-	-	-	(89,282)	(89,282)	(89,282)	(45,529)	(134,811)	
Net profits for the year	-	-	-	71,487	-	-	-	71,487	14,535	86,022	
Exchange differences on translating financial statements	-	-	-	-	(21,470)	-	(21,470)	(21,470)	(680)	(22,150)	
Share-based payment	28	-	-	-	-	366	366	366	-	366	
Ending balance as at 30 September 2012	<u>784,748</u>	<u>9,818,420</u>	<u>78,475</u>	<u>1,930,146</u>	<u>(219,165)</u>	<u>366</u>	<u>(308,081)</u>	<u>12,303,708</u>	<u>67,334</u>	<u>12,371,042</u>	

Company						Baht'000	
						Other component of equity	
Note	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Share-based payment	Total shareholders' equity	
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	931,307	-	11,612,950	
Net losses for the year	-	-	-	(3,235)	-	(3,235)	
Share-based payment	28	-	-	-	366	366	
Ending balance as at 30 September 2012	<u>784,748</u>	<u>9,818,420</u>	<u>78,475</u>	<u>928,072</u>	<u>366</u>	<u>11,610,081</u>	

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
 Statements of Changes in Shareholders' Equity (Cont'd)
 For the years that ended on 30 September 2012 and 2011

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 component of equity	Other comprehensive income (expenses)	Exchange differences on translating financial statements	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Note	share capital	share capital									
Beginning balance as at 1 October 2010	784,748	9,818,420		39,717	2,519,918			(270,702)	12,892,101	89,688	12,981,789
Increase from additional investments in a subsidiary	-	-		-	-			-	-	1,247	1,247
Net profits (losses) for the year	-	-		-	(167,347)			-	(167,347)	5,994	(161,353)
Exchange differences on translating financial statements	-	-		-	-			73,007	73,007	2,079	75,086
Dividends paid	-	-		-	(455,154)			-	(455,154)	-	(455,154)
Legal reserves	19	-		38,758	(38,758)			-	-	-	-
Ending balance as at 30 September 2011	784,748	9,818,420		78,475	1,858,659			(197,695)	12,342,607	99,008	12,441,615

Company					Baht'000
Note	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings (deficit)	Total shareholders' equity
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	(207,604)	10,435,281
Net profits for the year	-	-	-	1,632,823	1,632,823
Dividends paid	-	-	-	(455,154)	(455,154)
Legal reserves	19	-	38,758	(38,758)	-
Ending balance as at 30 September 2011	784,748	9,818,420	78,475	931,307	11,612,950

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows
For the years that ended on 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from operating activities					
Profits (losses) before income taxes		204,338	(84,982)	(275)	1,632,823
Adjustments for:					
Depreciation	12	873,537	1,007,040	16,646	17,732
Amortisation of intangible assets	13	8,947	9,132	590	859
Finance costs	21	284,897	228,916	-	1,235
Share-based payment	28	366	-	366	-
Losses from supplies and spare parts obsolescence		721	-	-	-
Net losses on disposals and write-offs of property, plant, and equipment and intangible assets		2,340	8,805	-	9
Impairment losses of property, plant, and equipment and deposits		-	203,736	-	-
Impairment losses of investments in a subsidiary		-	-	-	24,729
Doubtful accounts expenses		94,103	15,815	-	-
Losses from write-off of outstanding withholding taxes		16,598	-	9,401	-
Realised (gains) losses on exchange rates		(46,713)	(51,257)	56,810	28,626
Unrealised (gains) losses on exchange rates		(9,666)	30,049	(17,283)	(60,325)
Employee benefit obligations		4,806	56,076	1,341	(946)
Dividend income	29.1	-	-	-	(1,400,540)
Share of losses of investments in associates	11.2	9,663	41,773	-	-
Exchange rates (gains) losses from translation of overseas subsidiaries		(35,991)	30,288	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal of subsidiaries):					
- Restricted deposits at financial institutions		204,228	(330,594)	-	-
- Trade accounts receivable - others		68,961	(1,040,226)	-	-
- Amounts due from related parties		-	(1,640)	(136,401)	(98,509)
- Other receivables		(149,983)	(67,387)	(800)	1,133
- Advances to third party		(286,707)	-	-	-
- Supplies and spare parts		(28,952)	619	-	-
- Other current assets		(40,261)	63,759	580	(1,199)
- Deferred expenses		2,916	18,414	-	-
- Other non-current assets		16,380	19,467	295	(267)
- Trade accounts payable - others		157,537	84,078	-	-
- Trade accounts payable - related parties		622	8,285	-	-
- Other accounts payable		(40,302)	8,263	422	8,332
- Amounts due to related parties		12,362	(87)	25,238	(681,892)
- Accrued expenses		70,595	113,414	2,537	999
- Other current liabilities		(1,380)	6,102	(2,192)	1,829
Cash generated from operations		1,393,962	377,858	(42,725)	(525,372)
- Finance costs paid		(281,117)	(230,830)	-	(1,235)
- Income taxes paid		(81,881)	(73,337)	(2,960)	(2,808)
- Employee benefits paid	17	(56,331)	(67,417)	-	-
Net cash inflows (outflows) from operating activities		974,633	6,274	(45,685)	(529,415)

The accompanying notes on page 9 to 52 are an integral part of these consolidated and company financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Cont'd)
For the years that ended on 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from investing activities					
Short-term loans received from related parties		-	-	810,945	533,248
Short-term loans provided to related parties		-	-	(508,576)	(2,571,504)
Payments for short-term investments		-	(602,403)	-	(602,403)
Proceeds from short-term investments		-	1,208,728	-	1,208,728
Payments for investments in subsidiaries and associates	11	(57,084)	(1,903,814)	-	(1,903,814)
Proceeds from disposals of property, plant, and equipment and intangible assets		2,593	32,753	517	1,581
Payments for purchases of property, plant, and equipment		(466,692)	(255,468)	(4,626)	(12,493)
Payments for purchases of intangible assets		(7,167)	(8,736)	(581)	(2,243)
Dividends received	29.1	-	-	-	1,400,540
Net cash inflows (outflows) from investing activities		(528,350)	(1,528,940)	297,679	(1,948,360)
Cash flows from financing activities					
Repayments of finance lease liabilities		(2,305)	(3,252)	(1,170)	(975)
Proceeds from long-term loans from financial institutions	16	1,405,751	1,973,502	-	-
Repayments of long-term loans from financial institutions	16	(1,247,647)	(2,431,869)	-	(36,000)
Proceeds from share capital from minority interests		-	1,247	-	-
Dividends paid to shareholders		-	(455,154)	-	(455,154)
Net cash inflows (outflows) from financing activities		155,799	(915,526)	(1,170)	(492,129)
Net increase (decrease) in cash and cash equivalents		602,082	(2,438,192)	250,824	(2,969,904)
Cash and cash equivalents at the beginning of the year	5	1,352,380	3,742,938	377,635	3,375,758
Effects of exchange rates		(37,489)	47,634	(8,537)	(28,219)
Cash and cash equivalents at the end of the year	5	1,916,973	1,352,380	619,922	377,635

Non-cash transactions

During the years that ended on 30 September 2012 and 2011, the following significant non-cash transactions occurred:

Unpaid liabilities for purchases of vessels and equipment	4,797	7,294	-	-
Unpaid liabilities for share subscription in subsidiaries	76,030	-	-	-
Using finance lease agreements to purchase computer hardware	2,590	5,021	1,366	2,536

The accompanying notes on page 9 to 52 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, 9th floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330, Thailand

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

The Board of Directors approved the issue of the audited consolidated and Company financial statements on 26 November 2012.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated and Company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The 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 Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The consolidated and Company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.3.

2 Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Comparative figures have been reclassified to conform with changes in presentation in the current year. To comply with the announcement of Department of Business Development Regulation dated 7 November 2011 in relation to the format of Financial Statements B.E. 2554, the Group has reclassified other receivables and other current assets for 2011 as follows:

	<u>Consolidated</u>	<u>Company</u>
	<u>2011</u>	<u>2011</u>
	<u>Baht'000</u>	<u>Baht'000</u>
Other receivables		
As previously reported:		
Amounts due from related parties	33	33
Other current assets		
- Prepaid expenses	35,878	1,067
- Advances to employees	4,908	-
- Advances for business expenses	24,308	-
- Deferred mobilisation cost	4,195	-
- Insurance claim receivables	18,317	-
- Others	16,668	1,892
Reclassified to:		
Other receivables	104,307	2,992

An English version of the consolidated and Company financial statements has been prepared from the statutory financial statements that are in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Summary of significant accounting policies (Cont'd)

2.2 New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards

- a) 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, except 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 IAS 16 and IAS 19, respectively.

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 requires an entity to present a statement of comprehensive income. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (statement of income and statement of comprehensive income). The Group chooses to present a single 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 a 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 a statement of financial position without the statement of financial position as at the beginning of the comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 October 2011.
- 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 applied the capitalised model.

2 Summary of significant accounting policies (Cont'd)

2.2 New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards (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 postemployment benefit plans 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 the 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 2: This deals with accounting for transactions in which an entity receives goods or services as consideration for either:
 - Equity instruments of the entity (equity-settled) which is recognised as equity; or
 - Cash or other assets, the amount of which is based on the price or value of the entity’s share (cash-settled) that is recognised as a liability.

The measurement of the transaction is based on the fair value of the goods or services received. The equity-settled transactions are not re-measured once the grant date fair value has been determined. The cash-settled transactions are required to be re-measured at the date of each statement of financial position and at the date of settlement, with changes in fair value recognised in profit or loss. In addition, the standard requires extensive disclosure. The Company has adopted this standard with effect from 1 October 2011. The application of the standard is accounted for grant dates on or after 1 October 2011.

- 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.

2 Summary of significant accounting policies (Cont'd)

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

- b) 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 IAS 12.

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
TFRS 8	Operating Segments
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

- 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 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 the 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 commencing 1 October 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.
- TFRS 8: The standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 October 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change to be consistent with the internal reporting provided to the chief operating decision-maker.

2.3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

2.3.1 Property, plant, and equipment and intangible assets

Management determines the carrying value of tender rigs and vessels based on estimates, assumptions, and judgments in respect of remaining useful lives and residual values of these assets. These estimates, assumptions, and judgments reflect both historical experience and expectations regarding future operations, utilisation, and performance.

2 Summary of significant accounting policies (Cont'd)

2.3 Critical accounting estimates and judgements (Cont'd)

2.3.2 Deferred income taxes

Deferred income tax assets are recorded based on management's judgment and estimates on the extent to which there will be future taxable profits against which they can be offset. In preparing their forward projections for taxable income, management considers both historical performance and expectations regarding future operations, utilisation, and performance, as well as other industry specific information.

2.3.3 Carrying value of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.4.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates by management.

2.4 Accounting policies

2.4.1 Group Accounting - Investments in subsidiaries and associates

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any 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.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.1 Group Accounting - Investments in subsidiaries and associates (Cont'd)

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.4.9 for the impairment of assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In the Company's separate financial statements, investments in associates are reported by using the cost method of accounting.

A list of the Group's principal associates and the effects of acquisitions and disposals of associates are shown in Note 11.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.2 Foreign currencies translation

Items included in the financial statements of each entity in the Group are measured using the reporting currency of each entity in which the entity is incorporated. The consolidated and Company financial statements are presented in Thai Baht.

Transactions denominated in foreign currencies are translated into the entity's reporting currency at the rates of exchange ruling on the transaction dates. Realised gains and losses on foreign exchange transactions are recognised in profit or loss as incurred. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Unrealised gains and losses on foreign exchange are recognised in profit or loss as incurred.

The statements of comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and the statement of financial position is translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2.4.3 Cash and cash equivalents

In the consolidated and Company statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated and Company statements of financial position, bank overdrafts are shown as borrowings in current liabilities.

2.4.4 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collected. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.4.5 Supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts. Bunker supplies are stated at cost, determined on a first-in, first-out basis. Vessel supplies and spare parts are stated at cost, determined on a weighted average basis. Rig supplies and spare parts are stated at historical cost, determined on a specific identification basis. The rig supplies and spare parts purchased to replace those used during the year are reported as vessel costs of service in the statement of income.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.6 Property, plant, and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the consolidated and Company profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and building improvement	10 and 20 years
New build support vessels	5 to 30 years
Second-hand support vessels	5 to 22 years
Second-hand tender rigs	1 to 20 years
Motor launches	10 years
Tools and equipment	3 to 10 years
Office equipment	5 years
Motor vehicles	5 years

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are recognised in the consolidated and Company statements of comprehensive income.

The borrowing costs to finance the construction of property, plant, and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare it for its intended use.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to forecast future cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.4.8 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their estimated useful lives being 3 and 5 years.

2.4.9 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.10 Accounting for long-term leases

Where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant, and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Where the Group is the lessor

Assets leased out under operating leases are included in property, plant, and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant, and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.4.11 Provisions

Provisions, which exclude the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.4.12 Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.13 Revenue recognition

Revenue comprises the invoiced value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates, and discounts and after eliminating sales and services within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

(a) Rendering of services

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

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

(b) Interest income

Interest income is recognised on a time-proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will be accrued to the Group.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income is recognised as revenue on an accrual basis at the amount as specified under each lease agreement.

2.4.14 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated and Company financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.15 Financial instruments

The Group is party to derivative financial instruments, which mainly comprise cross currency and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

Cross currency and interest rate swap agreements protect the Group from movements in exchange rates and interest rates. Any differential to be paid or received on a currency and interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of currency and interest rate swaps or on repayment of the borrowing are taken to the statement of income.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 24.

2.4.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and Company financial statements. However, the deferred income tax is not accounted, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.17 Employee benefits

(a) Provident fund

The Group operates a provident fund, being a defined contribution plan, the asset for which is held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Group.

The Group's contributions to the provident fund are charged to the consolidated and Company statements of income in the year to which they relate.

(b) Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefit is recognised in the consolidated and Company statements of financial positions using the present value of the obligation, at the date of statements of financial position, together with adjustments for unrecognised actuarial gains or losses and past service costs. An independent actuary using the projected unit credit method calculates the retirement benefit annually. The present value of the benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the present value of benefit obligations are charged or credited to the statement of income over the employees' expected average remaining working lives.

(c) Retention incentives

The drilling subsidiaries provide retention incentives to certain employees. The entitlement to these incentives is conditional on the employees remaining in service up to the completion of the minimum entitlement service periods. The expected costs of these incentives are accrued over the period of the entitlement service periods without discount to their present value, as there is no significant impact from a discounted value calculation approach.

2.4.18 Share-based payment

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 Summary of significant accounting policies (Cont'd)

2.4 Accounting policies (Cont'd)

2.4.18 Share-based payment (Cont'd)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiaries, with a corresponding credit to equity.

2.4.19 Segment reporting

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.

Segment information is presented by business segment of the Group's operations.

2.4.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries, and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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4 Business segment information

The segment results are as follows:

	Consolidated					Baht'000
	For the year that ended on 30 September 2012					
	MOS group	Drilling group	Subtech group	Seascape group	 Holding	 Group
Total service income	3,195,188	1,089,309	1,645,339	1,227,413	-	7,157,249
Inter-segment service income	(181,312)	-	(980,413)	(281,382)	-	(1,443,107)
Service income	3,013,876	1,089,309	664,926	946,031	-	5,714,142
Operating profits (losses)	142,707	277,525	112,996	52,586	(86,916)	498,898
Finance costs						(284,897)
Income taxes						(118,316)
Share of losses from associates						(9,663)
Net profits for the year						86,022

	Consolidated					Baht'000
	As at 30 September 2012					
	MOS group	Drilling group	Subtech group	Seascape group	 Holding	 Group
Property, plant, and equipment and intangible assets, net	8,831,936	1,328,002	323,349	95,800	152,873	10,731,960
Total assets						17,357,486

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4 Business segment information (Cont'd)

The segment results are as follows: (Cont'd)

	Consolidated					Baht'000
	For the year that ended on 30 September 2011					
	MOS group	Drilling group	Subtech group	Seascope group	 Holding	 Group
Total service income	3,908,483	1,038,508	964,161	928,124	-	6,839,276
Inter-segment service income	(425,672)	(28,673)	(572,070)	(270,038)	-	(1,296,453)
Service income	3,482,811	1,009,835	392,091	658,086	-	5,542,823
Operating profits (losses)	(6,639)	(120,211)	57,521	75,896	179,140	185,707
Finance costs						(228,916)
Income taxes						(76,371)
Share of losses from associates						(41,773)
Net losses for the year						(161,353)

	Consolidated					Baht'000
	As at 30 September 2011					
	MOS group	Drilling group	Subtech group	Seascope group	 Holding	 Group
Property, plant, and equipment and intangible assets, net	9,376,830	1,431,528	70,758	88,548	170,936	11,138,600
Total assets						17,104,103

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5 Cash and cash equivalents

Cash and cash equivalents comprise:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	70,307	4,250	54	89
Cash at banks	1,846,666	1,348,130	619,868	377,546
Total cash and cash equivalents	1,916,973	1,352,380	619,922	377,635

6 Restricted deposits at financial institutions

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Restricted deposits at financial institutions				
- Within 1 year	-	206,484	-	-
- Over 1 year	122,777	124,110	-	-
Total restricted deposits at financial institutions	122,777	330,594	-	-

The restricted deposit at a financial institution, which matures on September 2012, is pledged against the interest swap contract provided by that financial institution.

The restricted deposit at a financial institution is pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payments after the two-year grace period expires in September 2013.

7 Trade accounts receivable - others, net

Trade accounts receivable - others, comprise:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Trade accounts receivable - others	1,467,370	1,434,434	-	-
Accrued income	143,567	265,373	-	-
	1,610,937	1,699,807	-	-
<u>Less</u> Allowance for doubtful accounts	(89,689)	(37,909)	-	-
Trade accounts receivable - others, net	1,521,248	1,661,898	-	-

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7 Trade accounts receivable - others, net (Cont'd)

The aging of the trade accounts receivable balance is as follows:

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Trade accounts receivable under credit terms	1,141,733	1,102,542	-	-
Aging of trade accounts receivable past due:				
Less than 3 months	445,003	410,035	-	-
Overdue 3 to 6 months	12,592	5,248	-	-
Overdue 6 to 12 months	8,216	170,065	-	-
Overdue 12 months	3,393	11,917	-	-
	1,610,937	1,699,807	-	-
<u>Less</u> Allowance for doubtful accounts	(89,689)	(37,909)	-	-
Trade accounts receivable - other, net	<u>1,521,248</u>	<u>1,661,898</u>	-	-

8 Other receivables

Other receivables comprise:

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Other non-trade accounts receivable	1,028	1,989	1,028	1,876
Prepaid expenses	34,391	35,878	996	1,067
Advances to employees	7,448	4,908	-	-
Advances for business expenses	82,956	24,308	-	-
Deferred mobilisation cost	49,656	4,195	-	-
Accrued interest income	1,346	-	958	-
Insurance claim receivables	64,274	18,317	-	-
Other receivables	15,522	14,712	334	49
Total other receivables	<u>256,621</u>	<u>104,307</u>	<u>3,316</u>	<u>2,992</u>

9 Advances to third party

As at 30 September 2012, an advance payment of USD 9.3 million (equivalent to Baht 286.7 million) was made to General Technology & Systems Co. Ltd. ("Gentas"), which owns 30% of Subtech Saudi Arabia Limited ("Subtech Saudi Arabia"), a subsidiary. The USD 9.3 million payment to Gentas comprises: (a) USD 0.3 million as consideration for the acquisition of Gentas' 30% equity interest in Subtech Saudi Arabia, and (b) USD 9.0 million as: (i) compensation for loss of expected profit to Gentas, if not for the sale of its 30% equity interest in Subtech Saudi Arabia, pertaining to a recently awarded five-year inspection, repair, and maintenance contract with Saudi Aramco ("IRM Contract") worth more than USD 530 million of revenues and (ii) as an advance payment for Gentas assistance to secure the IRM Contract.

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10 Other current assets

Other current assets comprise:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Value added taxes refundable	41,057	7,908	141	1,156
Withholding taxes	-	15,582	-	9,401
Suspense input taxes	10,817	9,037	663	227
Total other current assets	<u>51,874</u>	<u>32,527</u>	<u>804</u>	<u>10,784</u>

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11 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 30 September 2012	2011
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Subsidiary	Thailand	100.0	100.0
Nemo Subsea AS *	Subsidiary	Norway		
Nemo Subsea IS *	Subsidiary	Norway		
Seascope Surveys (Thailand) Ltd.	Subsidiary	Thailand		
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore		
PT Seascope Surveys Indonesia	Subsidiary	Indonesia		
Subtech Ltd., which has one subsidiary and one associate as follows:	Subsidiary	Seychelles		
Subtech Saudi Arabia Limited	Subsidiary	Saudi Arabia		
Subtech Qatar Diving and Marine Services LLC	Associate	Qatar		
Mermaid Offshore Services Pty. Ltd. **	Subsidiary	Australia		
Mermaid Offshore Services Pte. Ltd.	Subsidiary	Singapore		
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Subsidiary	Thailand	95.0	95.0
MTR-1 Ltd.	Subsidiary	Thailand		
MTR-2 Ltd.	Subsidiary	Thailand		
Mermaid Drilling (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia		
MTR-1 (Singapore) Pte. Ltd.	Subsidiary	Singapore		
MTR-2 (Singapore) Pte. Ltd.	Subsidiary	Singapore		
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		
Asia Offshore Drilling Limited, which has four subsidiaries as follows:	Associate	Bermuda	33.75	33.75
Asia Offshore Rig 1 Limited	Associate	Bermuda		
Asia Offshore Rig 2 Limited	Associate	Bermuda		
Asia Offshore Rig 3 Limited	Associate	Bermuda		
Asia Offshore Drilling Pte. Ltd. ****	Associate	Singapore		

* Nemo Subsea AS and Nemo Subsea IS are in the process of being voluntarily dissolved.

** Mermaid Offshore Services Pty. Ltd. was subsequently deregistered on 31 October 2012.

*** Mermaid Training and Technical Services Ltd. was registered for dissolution on 28 September 2012 and the liquidation is in progress.

**** Asia Offshore Drilling Pte. Ltd. was deregistered on 10 February 2012.

11 Investments in subsidiaries and associates (Cont'd)

11.1 Investments in subsidiaries

The movement of investments in subsidiaries during the year is as follows:

	Company	
	2012	2011
	Baht'000	Baht'000
Opening balance	5,237,264	5,237,264
Additional investment in subsidiary	-	-
Disposal of investment in subsidiary	-	-
Ending balance	5,237,264	5,237,264
<u>Less</u> Allowance for impairment loss of investments in a subsidiary	(266,265)	(266,265)
Closing net book amount	<u>4,970,999</u>	<u>4,970,999</u>

Seascope Surveys Pte. Ltd. and Seascope Surveys (Thailand) Ltd.

On 10 July 2012, Mermaid Offshore Services Ltd. ("MOS"), a subsidiary, entered into a share purchase agreement with the shareholders of Seascope Surveys Pte. Ltd. ("SSPL") (the "SSPL Acquisition") and Seascope Surveys (Thailand) Ltd. ("SSTL") (the "SSTL Acquisition") for the purchase of the shares as follows:

- Purchase of 20 ordinary shares representing 20% of the issued and paid up capital of SSPL. The total purchase value was Baht 121.3 million (or USD 3.8 million);
- Purchase of 680,000 ordinary shares representing 20% of the issued and paid up capital of SSTL. The total purchase value was Baht 13.5 million (or USD 0.4 million);

Following completion of the SSPL Acquisition and the SSTL Acquisition (collectively, the "Share Acquisitions"), SSPL and SSTL have each become a wholly owned subsidiary of MOS.

The first payment of USD 1,806,000 was paid on 20 July 2012. The second and final payments will be paid within 30 days after release of the audited financial results of Seascope Surveys Group for the 2013 and 2014 financial years based upon a certain percentage of earnings before interest expenses, income taxes, depreciation, and amortisation. However, it has been agreed that the initial guaranteed minimum consideration shall not be below USD 2,500,000.

The effect of the additional proportion of investment in subsidiaries is as follows:

	As at
	10 July 2012
	Baht'000
Consideration transferred	57,084
Contingent consideration	76,030
Unrealised gains on exchange rates	1,697
Non-controlling interest acquired : net book value	<u>(45,529)</u>
Excess of consideration over the acquired net book value	<u>89,282</u>

Contingent consideration of Baht 76.0 million comprises potential payments due in the financial years 2013 and 2014 amounting to Baht 33.8 million and Baht 42.2 million, respectively. The excess of consideration over the acquired net book value is recognised as a item under other components of equity.

11 Investments in subsidiaries and associates (Cont'd)

11.2 Investments in associates

The movement of investments in associates during the years is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	1,862,041	-	1,903,814	-
Additional investments in associates	-	1,903,814	-	1,903,814
Share of losses of investments in associates	(9,663)	(41,773)	-	-
Ending balance	<u>1,852,378</u>	<u>1,862,041</u>	<u>1,903,814</u>	<u>1,903,814</u>

Details of associates are as follows:

Name	Country of incorporation	Assets Baht'000	Liabilities Baht'000	Revenues Baht'000	Profit (loss) Baht'000	% Interest held	Profit (loss) sharing Baht'000
Group of AOD companies ^(A)	Bermuda	5,332,274	178,733	-	(28,632)	33.75	(9,663)

^(A) Group of AOD companies comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

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12 Property, plant, and equipment, net

12.1 Property, plant, and equipment, net, in the statements of financial positions comprise:

	Consolidated										Baht'000
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels, and tender rigs	Dry-docking	Motor launches	Construction in process	Total
At 30 September 2011											
Cost	35,136	189,114	27,254	2,298,920	75,580	26,892	11,760,630	532,378	2,208	22,612	14,970,724
<u>Less</u> Accumulated depreciation	-	(70,945)	(20,043)	(766,676)	(54,002)	(15,245)	(2,393,622)	(387,851)	(992)	-	(3,709,376)
Provision for impairment	-	-	-	(32,005)	-	-	(105,294)	(1,655)	-	-	(138,954)
Net book amount	<u>35,136</u>	<u>118,169</u>	<u>7,211</u>	<u>1,500,239</u>	<u>21,578</u>	<u>11,647</u>	<u>9,261,714</u>	<u>142,872</u>	<u>1,216</u>	<u>22,612</u>	<u>11,122,394</u>
For the year that ended on 30 September 2012											
Opening net book amount	35,136	118,169	7,211	1,500,239	21,578	11,647	9,261,714	142,872	1,216	22,612	11,122,394
Additions	-	-	-	47,103	4,327	2,354	-	133,031	-	277,380	464,195
Transferred in (out)	-	-	-	31,824	-	-	-	-	-	(31,824)	-
Disposals	-	-	-	(2,870)	-	-	-	-	-	-	(2,870)
Write-off	-	-	-	(3,129)	(79)	-	(52)	-	-	-	(3,260)
Depreciation charge	-	(11,686)	(1,718)	(238,484)	(8,424)	(4,212)	(494,709)	(113,861)	(443)	-	(873,537)
Translation adjustments	-	-	(170)	(396)	(140)	(98)	12,579	260	(7)	(21)	12,007
Closing net book amount	<u>35,136</u>	<u>106,483</u>	<u>5,323</u>	<u>1,334,287</u>	<u>17,262</u>	<u>9,691</u>	<u>8,779,532</u>	<u>162,302</u>	<u>766</u>	<u>268,147</u>	<u>10,718,929</u>
At 30 September 2012											
Cost	35,136	189,114	26,877	2,356,936	73,800	28,164	11,772,184	665,394	2,184	268,147	15,417,936
<u>Less</u> Accumulated depreciation	-	(82,631)	(21,554)	(990,992)	(56,538)	(18,473)	(2,888,502)	(501,456)	(1,418)	-	(4,561,564)
Provision for impairment	-	-	-	(31,657)	-	-	(104,150)	(1,636)	-	-	(137,443)
Net book amount	<u>35,136</u>	<u>106,483</u>	<u>5,323</u>	<u>1,334,287</u>	<u>17,262</u>	<u>9,691</u>	<u>8,779,532</u>	<u>162,302</u>	<u>766</u>	<u>268,147</u>	<u>10,718,929</u>

An impairment charge of Baht 134.8 million was made during the year 2011 as a result of management's determination that the carrying amount of one tender rig may not be recoverable. The recoverable amounts were determined at the level of drilling rig package and tender barge. The recoverable amounts represent the net selling prices determined with reference to market prices quoted by the independent appraisers.

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12 Property, plant, and equipment, net (Cont'd)

12.1 Property, plant, and equipment, net, in the statements of financial positions comprise: (Cont'd)

	Company						Baht'000
	Land	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Total
At 30 September 2011							
Cost	35,136	189,115	18,683	534	47,309	4,035	294,812
<u>Less</u> Accumulated depreciation	-	(70,946)	(14,777)	(343)	(35,126)	(2,976)	(124,168)
Net book amount	<u>35,136</u>	<u>118,169</u>	<u>3,906</u>	<u>191</u>	<u>12,183</u>	<u>1,059</u>	<u>170,644</u>
For the year that ended on 30 September 2012							
Opening net book amount	35,136	118,169	3,906	191	12,183	1,059	170,644
Additions	-	-	-	-	2,090	-	2,090
Depreciation charge	-	(11,687)	(491)	(52)	(4,080)	(336)	(16,646)
Closing net book amount	<u>35,136</u>	<u>106,482</u>	<u>3,415</u>	<u>139</u>	<u>10,193</u>	<u>723</u>	<u>156,088</u>
At 30 September 2012							
Cost	35,136	189,115	18,683	534	49,399	4,035	296,902
<u>Less</u> Accumulated depreciation	-	(82,633)	(15,268)	(395)	(39,206)	(3,312)	(140,814)
Net book amount	<u>35,136</u>	<u>106,482</u>	<u>3,415</u>	<u>139</u>	<u>10,193</u>	<u>723</u>	<u>156,088</u>

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12 Property, plant, and equipment, net (Cont'd)

12.1 Property, plant, and equipment, net, in the statements of financial positions comprise: (Cont'd)

As at 30 September 2012, there are land and buildings, two support vessels, and a tender rig that are mortgaged with various banks as collateral for their overdrafts, loans, and facilities. These assets are mortgaged at a total value of Baht 1,359.5 million and USD 110 million (30 September 2011: Baht 1,583 million and USD 117.6 million in respect of land and building, three remotely operated vehicles, two support vessels, and a tender rig).

12.2 The depreciation charges for the years that ended on 30 September are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation charged to				
- Cost of services	847,444	979,203	-	-
- Administrative expenses	26,093	27,837	16,646	17,732
	<u>873,537</u>	<u>1,007,040</u>	<u>16,646</u>	<u>17,732</u>

During the year that ended on 30 September 2012, the Group reviewed the estimated useful lives of vessels and 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 this financial year. The depreciation based on previous and new accounting estimates can be summarised as follows:

	Consolidated	
	Previous accounting estimate	New accounting estimate
	Baht'000	Baht'000
Depreciation charged for		
the year that ended on 30 September 2012	<u>981,391</u>	<u>873,537</u>

13 Intangible assets, net

	Consolidated	Company
	Baht'000	Baht'000
Computer software		
At 30 September 2011		
Cost	69,194	26,266
<u>Less</u> Accumulated amortisation	<u>(52,988)</u>	<u>(25,010)</u>
Net book amount	<u>16,206</u>	<u>1,256</u>
For the year that ended on 30 September 2012		
Opening net book amount	16,206	1,256
Additions	6,933	581
Disposals	(1,148)	-
Amortisation charge	(8,947)	(590)
Translation adjustments	(13)	-
Closing net book amount	<u>13,031</u>	<u>1,247</u>
At 30 September 2012		
Cost	74,123	26,847
<u>Less</u> Accumulated amortisation	<u>(61,092)</u>	<u>(25,600)</u>
Net book amount	<u>13,031</u>	<u>1,247</u>

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14 Deferred tax assets, net

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority. Details of deferred tax assets and liabilities are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	135,002	142,026	-	-
Deferred tax liabilities	(49,308)	(42,589)	-	-
Deferred tax assets, net	<u>85,694</u>	<u>99,437</u>	<u>-</u>	<u>-</u>

The net movement on the deferred income tax account is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Opening net book amount	99,437	113,240	-	-
Statement of comprehensive income (charged)/credited (Note 22)	(15,750)	(13,803)	-	-
Adjustment in respect of prior year	1,913	-	-	-
Translation difference	94	-	-	-
Closing net book amount	<u>85,694</u>	<u>99,437</u>	<u>-</u>	<u>-</u>

The movement in deferred income tax assets and liabilities during the year is as follows:

	Employee benefit obligations	Tax loss carry-forward	Depreciation	Allowance for doubtful	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets					
At 30 September 2010	17,768	103,921	7,056	-	128,745
(Charged)/credited to 2011 consolidated statement of comprehensive income	88	-	2,361	10,832	13,281
At 30 September 2011	17,856	103,921	9,417	10,832	142,026
(Charged)/credited to 2012 consolidated statement of comprehensive income	(13,786)	22,296	(6,376)	(10,832)	(8,698)
Adjustment in respect of prior year	1,913	-	-	-	1,913
Translation difference	(239)	-	-	-	(239)
At 30 September 2012	<u>5,744</u>	<u>126,217</u>	<u>3,041</u>	<u>-</u>	<u>135,002</u>

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14 Deferred tax assets, net (Cont'd)

Deferred tax liabilities	Depreciation Baht'000	Total Baht'000
At 30 September 2010	(15,505)	(15,505)
Charged/(credited) to 2011 consolidated statement of comprehensive income	(27,084)	(27,084)
At 30 September 2011	(42,589)	(42,589)
Charged/(credited) to 2012 consolidated statement of comprehensive income	(7,052)	(7,052)
Translation difference	333	333
At 30 September 2012	(49,308)	(49,308)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefits through future taxable profits is probable.

The Company and certain subsidiaries did not recognise deferred income tax assets of Baht 171.4 million (2011: Baht 296.0 million) in respect of tax loss carry-forwards amounting to Baht 856.8 million (2011: Baht 986.5 million), as management's view is that insufficient taxable income will be available for offset in the foreseeable future. These tax losses will expire over the next few years.

15 Other non-current assets

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Other deposits	6,359	22,739	569	864
Total other non-current assets	6,359	22,739	569	864

16 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Current portion of long-term loans	209,209	556,747	-	-
Long-term portion of loans	3,866,496	3,409,963	-	-
Total loans from financial institutions	4,075,705	3,966,710	-	-

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16 Long-term loans from financial institutions (Cont'd)

As at 30 September 2012 and 2011, maturity of long-term loans from financial institutions is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Less than 1 year	209,209	556,747	-	-
1 - 5 years	1,261,447	1,543,165	-	-
Over 5 years	2,605,049	1,866,798	-	-
	4,075,705	3,966,710	-	-

The movement of long-term loans from financial institutions is summarised as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	3,966,710	4,320,415	-	36,000
Additions during year	1,405,751	1,973,502	-	-
Repayments during year	(1,247,647)	(2,431,869)	-	(36,000)
Realised gains on exchange rates	(5,491)	(16,390)	-	-
Unrealised (gains) losses on exchange rates	(41,781)	87,110	-	-
Translation adjustments	(1,837)	33,942	-	-
Ending balance	4,075,705	3,966,710	-	-

The carrying amounts of long-term loans from financial institutions are denominated in the following currencies:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Currencies:				
US Dollars	4,075,705	3,312,784	-	-
Thai Baht	-	653,926	-	-
	4,075,705	3,966,710	-	-

Long-term loans from financial institutions comprise:

Loans for the purchase of support vessels and equipment are granted by commercial banks and are denominated in Thai Baht and US Dollars, having a total outstanding balance of USD 126.1 million as at 30 September 2012 (30 September 2011: Baht 653.9 million and USD 97.6 million) with repayment terms within 8 to 10 years. As at 30 September 2012, interest rates on the Thai Baht loans and US Dollar loans are as follows:

- No loan balance in Baht (30 September 2011: Baht 653.9 million): three-month fixed deposit rates plus a certain margin;
- The loan balance of USD 126.1 million (30 September 2011: USD 97.6 million): USD-LIBOR plus a certain margin.

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17 Employee benefit obligations (Cont'd)

(a) *Retirement benefits*

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of obligations	30,669	22,703	4,249	2,908
Unrecognised actuarial gains	-	-	-	-
Liability in the statements of financial positions	<u>30,669</u>	<u>22,703</u>	<u>4,249</u>	<u>2,908</u>

The movement in the retirement benefit obligations during the years is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning of the year	22,703	17,748	2,908	3,869
Current service costs	18,818	7,533	1,401	1,348
Interest costs	446	319	104	58
Actuarial gains	-	(2,076)	(164)	(2,367)
Unrealised (gains) losses on exchange rate	(886)	242	-	-
Benefits paid	(10,412)	(1,063)	-	-
End of the year	<u>30,669</u>	<u>22,703</u>	<u>4,249</u>	<u>2,908</u>

The amounts recognised in the statement of comprehensive income are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Current service costs	18,818	7,533	1,401	1,348
Interest costs	446	319	104	58
Amortisation of actuarial gains	-	(2,076)	(164)	(2,367)
Unrealised (gains) losses on exchange rate	(886)	242	-	-
Total, included in staff costs	<u>18,378</u>	<u>6,018</u>	<u>1,341</u>	<u>(961)</u>

These amounts are included in cost of services and administrative expenses.

The principal actuarial assumptions used are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
Discount rate	3.90%	3.90%	3.90%	3.90%
Future salary increase rate	6.00%	6.00%	6.00%	6.00%
Mortality rate	0.08% - 1.03%	0.08% - 1.03%	0.08% - 1.03%	0.08% - 1.03%
Resignation rate	0.00% - 20.00%	0.00% - 20.00%	0.00% - 20.00%	0.00% - 20.00%

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17 Employee benefit obligations (Cont'd)

(b) *Retention incentives*

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Obligations	-	61,031	-	-

The movement in the retention incentive obligations during the year is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning of the year	61,031	76,083	-	-
Current service costs (reverse)	(14,458)	49,753	-	-
Paid during the year	(45,919)	(66,354)	-	-
Realised gains on exchange rates	(654)	(251)	-	-
Unrealised losses on exchange rates	-	1,800	-	-
End of the year	-	61,031	-	-

The amounts recognised in the statements of comprehensive income are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Current service costs (reverse)	(14,458)	49,753	-	-

These amounts are included in cost of services.

18 Share capital and premium on share capital

Share capital, issued and paid-up, comprises:

	Par value	Number of	Issued and	Share	Total
	Baht	registered	paid-up	premium	Total
		ordinary	ordinary	Baht'000	Baht'000
		shares	shares		
		Shares'000	Shares'000		
As at 30 September 2010	1	790,607	784,748	9,818,420	10,603,168
Issued shares	1	4,000	-	-	-
Decrease in number of shares registered	1	(3,393)	-	-	-
As at 30 September 2011	1	791,214	784,748	9,818,420	10,603,168
Issued shares	1	-	-	-	-
Decrease in number of shares registered	1	-	-	-	-
As at 30 September 2012	1	791,214	784,748	9,818,420	10,603,168

As at 30 September 2012 and 2011, all issued shares are fully paid.

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19 Legal reserves

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 October	78,475	39,717	78,475	39,717
Allocation during the year	-	38,758	-	38,758
At 30 September	<u>78,475</u>	<u>78,475</u>	<u>78,475</u>	<u>78,475</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its annual net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

20 Expenses by nature

The following expenditures items, classified by nature, have been charged in arriving at operating profits (losses).

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Crew, staff, and subcontractor costs	2,383,039	2,534,713	93,297	56,817
Vessel expenses and repair and maintenance expenses	1,022,703	974,535	-	-
Charter hire and equipment rental	295,690	263,320	-	-
Recharge expenses related to services provided	230,029	249,964	-	-
Mobilisation/demobilisation expense	159,137	136,563	-	-
Depreciation	873,537	1,007,040	16,646	17,732
Amortisation of intangible assets	8,947	9,132	590	859
Office and office equipment rental	10,502	10,763	3,300	3,504
Yard supervision fees	1,307	52,904	1,307	52,904
Management and support fees	11,792	16,165	11,792	16,165
Consulting fees	14,300	32,617	2,870	16,092
Others	287,938	219,880	44,301	32,871
Total cost of services and administrative expenses	<u>5,298,921</u>	<u>5,507,596</u>	<u>174,103</u>	<u>196,944</u>

21 Finance costs

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Bank borrowings	127,845	86,114	-	1,235
Losses from interest rate swap contracts	153,536	111,996	-	-
Amortisation of front-end fees	3,357	30,614	-	-
Finance lease	159	192	-	-
Total finance costs	<u>284,897</u>	<u>228,916</u>	<u>-</u>	<u>1,235</u>

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22 Income tax expenses

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Current taxes	102,566	62,568	2,960	-
Deferred taxes (Note 14)	15,750	13,803	-	-
Total income tax expenses	118,316	76,371	2,960	-

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

	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Profits (losses) before income taxes - accounting	204,338	(84,982)	(275)	1,632,823
Tax at the domestic rate of 30%	61,301	(25,495)	(83)	489,847
Adjustments:				
Income not subject to tax and additional taxable expenses	(152,458)	(158,425)	-	(420,162)
Expenses not deductible for tax purposes	92,567	80,167	5,624	7,834
Utilisation of previously unrecognised tax losses	(10,122)	(80,773)	(5,541)	(77,519)
Tax losses for which no deferred income tax assets were recognised	33,147	135,265	-	-
Tax losses which could not be utilised	-	49,551	-	-
Withholding tax not recoverable, written off	12,949	-	2,960	-
Tax charges from domestic operations	37,384	290	2,960	-
Tax charges from overseas operations	65,182	62,278	-	-
Total tax charges	102,566	62,568	2,960	-
Tax charges	102,566	62,568	2,960	-
The effect from change of deferred tax assets	(11,284)	13,803	-	-
Re-measurement of deferred tax - change in tax rate*	27,034	-	-	-
	118,316	76,371	2,960	-
The average effective tax rate	57.90%	89.87%	1,076.02%	-

* The domestic corporate income tax rate will be reduced to 23% for the accounting period beginning on or after 1 January 2012 and to 20% for accounting periods beginning on or after 1 January 2013 onwards.

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

23 Earnings (losses) per share

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

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares 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 (determined as the average share price of the Company's shares during the year) based on the outstanding Employee Share Option Plan to determine the number of potential ordinary shares that would have been additionally issued. 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 as at 30 September 2012, is 784,988,020 shares (as at 30 September 2011: 785,004,852 shares).

	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares				
Employee Shares Option Plan (Shares'000)	240	257	240	257
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	784,988	785,005	784,988	785,005
Net profits (losses) for the year attributable to ordinary shareholders (Baht'000)	71,487	(167,347)	(3,235)	1,632,823
Basic and diluted earnings (losses) per share (Baht)	0.09	(0.21)	(0.00)	2.08

24 Financial instruments

The principal financial risks faced by the Group are exchange rate risk, interest rate risk, and credit risk. Exchange rate risk arises from loans and operation denominated in foreign currencies. Interest rate risk arises from borrowing loans at floating interest rates to finance its investments and operations. Credit risk arises when services are made on deferred credit terms.

(a) Exchange rate and interest rate risks

The exchange rate risk is the principal risk faced by the Group as certain purchases and services are entered in foreign currencies and also interest rate risk, which is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages these risks as follows:

24 Financial instruments (Cont'd)

Cross currency and interest rate swap contracts

On 29 December 2008, Mermaid Offshore Services Ltd. entered into a cross currency and interest rate swap contract with a local commercial bank for a long-term loan in Thai Baht currency of Baht 328.7 million. The loan had a notional amount of USD 10 million with a maturity date of 31 August 2012. On 26 September 2011, the loan was fully paid and this cross currency and interest swap contract was terminated. The gain from this termination has been recognised in the statement of comprehensive income of 2011 amounting to Baht 9.9 million.

On 6 February 2009, Mermaid Offshore Services Ltd. entered into another cross currency and interest rate swap contract with a local commercial bank for a long-term loan facility in Thai Baht currency of Baht 786.2 million. The loan has a notional amount of USD 22.5 million and a maturity date of December 2016. On 26 September 2011, the cross currency and interest rate swap contract was early terminated. The gain from this termination has been recognised in the statement of comprehensive income of 2011 amounting to Baht 72.1 million. Mermaid Offshore Services Ltd. subsequently entered into a new cross currency and interest rate swap contract, which was modified for business day convention. On 10 February 2012, the remaining loan was fully paid and this cross currency and interest swap contract was terminated. The gain from this termination has been recognised in the statement of comprehensive income of 2012 amounting to Baht 6.4 million.

On 29 December 2009, Nemo Subsea AS, a subsidiary of Mermaid Offshore Services Ltd. entered into the interest rate swap contract with a commercial bank for a long-term loan facility in US Dollar currency of USD 45.9 million with a maturity date of September 2012 and September 2017. On 28 September 2012, the interest rate swap contract with the maturity date of September 2017 was terminated. The loss from this termination has been recognised in the statement of comprehensive income of 2012 amounting to Baht 99.9 million.

Net fair values

The net fair values of the cross currency and interest rate swap contracts at the statements of financial positions date are as follows:

	Consolidated		Company	
	30 September 2012 Baht'000	30 September 2011 Baht'000	30 September 2012 Baht'000	30 September 2011 Baht'000
Favourable cross currency and interest rate swap contracts	-	12,972	-	-
	Consolidated		Company	
	30 September 2012 USD'000	30 September 2011 USD'000	30 September 2012 USD'000	30 September 2011 USD'000
Unfavourable interest rate swap contracts	-	4,212	-	-

The mark to market evaluation of cross currency and interest rate swap contracts has been calculated using rates quoted by the counterparty to the contract as if the contracts were terminated at the statements of financial positions date.

24 Financial instruments (Cont'd)

(b) Credit risk

Management is of the opinion that credit risk is not significant. The Group has not entered into any derivative contracts relating to credit risk.

(c) Fair value

As at 30 September 2012 and 2011, financial assets carried on the consolidated statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable, and amounts due from related parties. Financial liabilities carried on the consolidated statements of financial positions include loans from financial institutions, trade accounts payable, amounts due to related parties, other current liabilities, and finance lease liabilities.

The carrying amounts of the financial assets and financial liabilities equal approximately their fair value. In addition, management is of the opinion that there are no significant fair value risks.

25 Promotional privileges

As at 30 September 2012, the Company and four subsidiaries received promotional privileges from the Board of Investment (“BOI”) under a number of different categories, including services of submerged structure inspection, service of underwater equipment, service of inspection of marine pollution, drilling services, trade and investment service office. The main privileges include exemption from payment of import duty on machinery and exemption from corporate income tax for the promoted activities for a period of 8 years from the date when income is first derived, or when approval is given by the BOI.

To be entitled to the privileges, the subsidiaries must comply with the conditions and restrictions provided in the promotional certificates.

26 Guarantees

As at 30 September 2012 and 2011, the Group and the Company have outstanding guarantees as follows:

	Consolidated					
	30 September 2012			30 September 2011		
	Baht'000	USD'000	AED'000	Baht'000	USD'000	AED'000
Letters of guarantee issued by banks in the normal course of business	27,590	1,920	50	15,600	689	-
Guarantee for long-term loans of subsidiaries to financial institutions	-	131,617	-	653,926	104,425	-
	Company					
	30 September 2012		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	-		
Guarantee for long-term loans of subsidiaries to financial institutions	-	131,617	653,926	104,425		

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27 Commitments

(a) *Capital commitments*

	Consolidated		Company	
	30 September 2012 Baht'000	30 September 2011 Baht'000	30 September 2012 Baht'000	30 September 2011 Baht'000
Rig dry docking contracts - US Dollar	27,960	-	-	-

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

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

	Consolidated		Company	
	30 September 2012 Baht'000	30 September 2011 Baht'000	30 September 2012 Baht'000	30 September 2011 Baht'000
No later than 1 year	196,919	-	-	-
Over than 1 year but less than 2 years	81,465	-	-	-
	278,384	-	-	-

(c) *Other commitments*

As at 30 September 2012, the Group has other commitments approximately Baht 63.2 million (2011: Baht 63.9 million).

28 Share-based payment

The Company had four share option schemes in operation during the financial year, all of which are equity-settled schemes:

- i) Employee share option plan 2008 (“ESOP 2008”) was approved by the Company’s shareholders on 11 July 2007. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.
- ii) Employee share option plan 2009 (“ESOP 2009”) was approved by the Company’s shareholders on 29 January 2009. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.
- iii) Employee share option plan 2010 (“ESOP 2010”) was approved by the Company’s shareholders on 28 January 2010. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors and non-executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.
- iv) Employee share option plan 2011 (“ESOP 2011”) was approved by the Company’s shareholders on 25 January 2011. This scheme permits the grant of options in respect of ordinary shares to the Group’s executive directors and non-executive directors. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.

Share options are granted to the selected executive directors and non-executive directors. The exercise price of the granted options is equal to the average of the “Market Price”, being the price equal to the weighted average price for the shares on SGX-ST fifteen consecutive trading days immediately preceding the date of grant. Options are conditional on the employee completing three years’ service (the vesting period). The options are exercisable starting three years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

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28 Share-based payment (Cont'd)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Consolidated		Company	
	Average exercise price SGD per share	Option Shares'000	Average exercise price SGD per share	Option Shares'000
At 1 October 2010	0.54	1,860	0.54	1,860
Granted	0.45	700	0.45	700
Forfeited	0.52	(229)	0.52	(229)
Exercised	-	-	-	-
Expired	-	-	-	-
At 30 September 2011	0.52	2,331	0.52	2,331
Granted	0.24	1,310	0.24	1,310
Forfeited	0.41	(1,109)	0.41	(1,109)
Exercised	-	-	-	-
Expired	-	-	-	-
At 30 September 2012	0.42	2,532	0.42	2,532

Out of the 2,531,800 outstanding options (2011: 2,331,100 options), 672,800 options (2011: nil) were exercisable. None of share options were exercised throughout the financial year. The average share price during the financial year ended 30 September 2012 was SGD 0.31 per share (2011: SGD 0.42 per share).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Consolidated			Company		
	Exercise price SGD per share	30 September 2012 Shares '000	30 September 2011 Shares '000	Exercise price SGD per share	30 September 2012 Shares '000	30 September 2011 Shares '000
Expired date:						
20 November 2013	0.30	673	925	0.30	673	925
16 November 2014	0.81	599	826	0.81	599	826
1 December 2015	0.45	370	580	0.45	370	580
15 December 2016	0.24	890	-	0.24	890	-
		2,532	2,331		2,532	2,331

The weighted average fair value of options granted during the period using the Binomial Lattice valuation model was SGD 0.09 per option. The significant inputs into the model were a weighted average share price of SGD 0.23 at the grant date, exercise price shown above, volatility of 45%, dividend yield of 0%, an expected option life of 3.85 years, and an annual risk-free interest rate of 3.015% - 3.081%.

On 15 December 2011, 1,310,000 share options were granted to the Group's executive directors and non-executive directors with an exercise price set at the market price on that date of SGD 0.24 per share (share price: SGD 0.23 per share) (expiry date: 15 December 2016). With the effective of TFRS 2 "Share-based Payment" as reference in Note 2.2 and 2.4.18, grant to on or after 1 October 2011 will be accounted for. Given that this option has a vesting period of 3 years, the accounting expense with respect to the plan may be amortised using the straight-line method across 3 years. The projected accounting expense calculated by an actuary which is recognised as a component of equity in the statement of changes in shareholders' equity for the year ended 30 September 2012 amounts Baht 0.37 million.

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29 Related party transactions

As at 30 September 2012, the Group is controlled by Thoresen Thai Agencies Public Company Limited, which owns 57.14% of the Company's shares (30 September 2011: 57.14%).

Significant related party transactions are as follows:

29.1 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 year that ended on 30 September			
	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
<u>Management fee income</u>				
Subsidiaries	-	-	70,380	90,773
Associates	-	147,601	-	147,601
	-	147,601	70,380	238,374
<u>Dividend income</u>				
Subsidiary	-	-	-	1,400,540
<u>Interest income</u>				
Subsidiaries	-	-	126,644	88,982
<u>Rental income</u>				
Subsidiaries	-	-	6,712	6,748
<u>Other income - Compensation for agreement termination</u>				
Associate	-	76,986	-	76,986

AOD, an associate, compensated the Company for termination of the technical and commercial management agreements.

29 Related party transactions (Cont'd)

29.1 Transactions with related parties (Cont'd)

	For the year that ended on 30 September			
	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Expenses				
<u>Other administrative expenses</u>				
Other related party - same common control	18,426	12,728	11,976	12,715

The Group's policies in respect of significant related party transactions are set out below:

- a) The interest income rates charged are not less than the fixed deposit rate.
- b) Management fee income is charged based on actual cost plus margin.
- c) Rental income is transacted at contract prices.
- d) Cost of services is transacted at prices normally charged to a third party.
- e) Other administrative expenses are paid to a related party for IT and Management Agreements and transacted at contract prices.

29.2 Accounts receivable and payable - related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	514,200	412,021
<u>Trade accounts payable</u>				
Other related parties - same common control (included in Trade accounts payable)	638	16	-	-
<u>Amounts due to related parties</u>				
Subsidiaries	-	-	1,129,588	1,128,996
Other related parties - same common control	24,892	12,530	24,892	12,530
	24,892	12,530	1,154,480	1,141,526

29 Related party transactions (Cont'd)

29.3 Short-term loans to related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Subsidiaries				
- Baht	-	-	670,000	676,540
- US Dollar	-	-	3,951,503	4,256,569
	-	-	4,621,503	4,933,109

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

29.4 Directors' and management's remuneration

Directors' and management's remuneration comprises salaries, share-based payments, retirement benefits, and other benefits.

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Salaries and other short-term employee benefits	45,248	30,000	19,069	24,642
Share-based payments	25	-	12	-
Retirement benefits	35	158	35	158
	45,308	30,158	19,116	24,800

30 Subsequent events

30.1 New associated company set up in Saudi Arabia

On 1 October 2012, the Company subscribed 800 shares, equivalent to 40.0% of the total shares in Zamil Mermaid Offshore Services Co. (LLC), a new associated company, for total consideration of Baht 6.61 million (or Saudi Riyal 0.8 million). On 25 October 2012, Zamil Mermaid Offshore Services Co. (LLC) signed a significant long-term (five years plus a two-year option) offshore inspection, repair, and maintenance services contract, whereby the Group will provide one dive support vessel and various diving services and the Company's partner will provide other four offshore support vessels and logistics.

30.2 Asia Offshore Drilling launch of mandatory offer

As of 6 November 2012, Seadrill Limited ("Seadrill") acquired 65.94% of Asia Offshore Drilling Ltd. ("AOD"), which is listed on the Oslo Stock Exchange. Under Oslo Stock Exchange rules, Seadrill is required to launch an unconditional mandatory offer for all issued and outstanding shares of AOD at a price of NOK 28.71 per share (the "Mandatory Offer"). The Mandatory Offer period started on 12 November 2012 and runs until 16:30 hours (CET) of 10 December 2012, and may be extended up to another two weeks. The Company is considering this offer.

30 Subsequent events (Cont'd)

30.3 Dividend payment proposing

At the Board of Directors Meeting held on 26 November 2012, the Board approved to recommend an annual dividend payment equal to 25% of the net profits for the year that ended 30 September 2012. Total dividends will be approximately of Baht 21.5 million, or Baht 0.0274 per share. This dividend shall be proposed to the Annual General Meeting of Shareholders in January 2013 for their consideration and approval.