


MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Period Ended 31 December 2019
PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Consolidated financial statements		
	Year ended 31 December		
	2019	2018	Change
	<i>(in thousand US Dollar)</i>		
			%
Revenue			
Revenue from rendering of services	105,933	94,760	11.8%
Interest income	655	701	-6.6%
Net gain on foreign exchange	226	78	189.7%
Other income	895	2,622	-65.9%
Total revenue	107,709	98,161	9.7%
Expenses			
Costs of rendering of services	109,052	103,768	5.1%
Administrative expenses	23,657	24,982	-5.3%
Finance costs	3,397	3,897	12.8%
Total expenses	136,106	132,647	2.6%
Share of profit of associates and joint venture	4,756	8,062	-41.0%
Loss before income tax expense	(23,641)	(26,424)	-10.5%
Tax expense	575	874	-34.2%
Loss for the year	(24,216)	(27,298)	-11.3%
Other comprehensive income (expenses)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	1	2	-50.0%
<i>Items that will be not be reclassified subsequently to profit or loss</i>			
Loss on remeasurements of defined benefit plans	(2)	-	100.0%
Other comprehensive (income) expense for the year, net of tax	(1)	2	-150.0%
Total comprehensive expense for the year	(24,217)	(27,296)	-11.3%
Profit (loss) attributable to:			
Owners of parent	(24,258)	(27,193)	-10.8%
Non-controlling interests	42	(105)	-140.0%
Loss for the year	(24,216)	(27,298)	-11.3%
Total comprehensive income (expense) attributable to:			
Owners of parent	(24,266)	(27,191)	-10.8%
Non-controlling interests	49	(105)	-146.7%
Total comprehensive expense for the year	(24,217)	(27,296)	-11.3%
Basic losses per share			
<i>(in US Dollar)</i>			
Basic losses per share	(0.0172)	(0.0192)	-10.4%
Notes to the income statements			
Depreciation and amortization	19,177	18,300	
Bad and doubtful debts expenses	21	2,253	
(Reversal of) impairment losses on assets	5,057	(1,800)	
Interest on borrowing	3,397	3,897	
Gain from loss of control in a subsidiary	701	-	


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

Assets	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 December 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>	31 December 2019 <i>(in thousand US Dollar)</i>	31 December 2018 <i>(in thousand US Dollar)</i>
<i>Current assets</i>				
Cash and cash equivalents	22,496	36,484	3,875	1,752
Current investments	12,207	18,036	-	-
Trade accounts receivable	42,237	35,924	-	-
Other accounts receivable	5,801	7,067	122,498	141,141
Short-term loans to related parties	5,371	-	49,945	16,800
Supplies and spare parts	619	1,384	-	-
Total current assets	88,731	98,895	176,318	159,693
<i>Non-current assets</i>				
Restricted deposit at financial institutions	11,268	14,550	-	4,375
Investments in associates	122,360	119,423	22,507	22,507
Investments in joint venture	1,577	2,120	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	539	588	1,826	2,013
Long-term loan to related party	-	-	-	55,902
Property, plant and equipment	145,207	169,429	115	146
Goodwill	2,066	2,066	-	-
Intangible assets	55	114	12	21
Deferred tax assets	2,139	2,281	48	21
Other non-current assets	106	125	24	11
Total non-current assets	285,317	310,696	181,704	242,168
Total assets	374,048	409,591	358,022	401,861


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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 December 2019 <i>(in thousand US Dollar)</i>	31 December 2018	31 December 2019 <i>(in thousand US Dollar)</i>	31 December 2018
Liabilities and equity				
<i>Current liabilities</i>				
Short-term loans from financial statements	244	-	-	-
Trade accounts payable	8,250	5,201	-	-
Other accounts payable	20,021	18,992	750	745
Current portion of long-term borrowings	11,953	15,890	-	-
Current portion of finance lease liabilities	-	47	-	-
Current income tax payable	692	194	-	-
Total current liabilities	41,160	40,324	750	745
<i>Non-current liabilities</i>				
Long-term borrowings	43,846	51,835	-	-
Finance lease liabilities	-	40	-	-
Provisions for employee benefits	2,049	2,504	242	105
Total non-current liabilities	45,895	54,379	242	105
Total liabilities	87,055	94,703	992	850
<i>Equity</i>				
Share capital				
Authorized share capital	-	-	-	-
Issued and paid share capital	47,322	47,322	47,322	47,322
Share premium on ordinary shares	343,536	343,536	343,536	343,536
Differences arising from common control transactions	-	-	(7,406)	(7,406)
Retained earnings (Deficit)				
Unappropriated (Deficit)	(101,337)	(73,245)	(26,450)	17,531
Other components of equity	(2,196)	(2,197)	28	28
Equity attributable to owners of the parent	287,325	315,416	357,030	401,011
Non-controlling interests	(332)	(528)	-	-
Total equity	286,993	314,888	357,030	401,011
Total liabilities and equity	374,048	409,591	358,022	401,861

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

(a) the amount repayable in one year or less, or on demand;

(b) the amount repayable after one year;

(c) whether the amounts are secured or unsecured; and

(d) details of any collateral.

As at 31 December 2019			
Secured	Unsecured	Total	
USD'000	USD'000	USD'000	
Amount repayable in one year or less, or on demand (*)	11,953	244	12,197
Amount repayable after one year	43,846	-	43,846

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

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

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

As at 31 December 2019, US Dollar 7.6 million (*31 December 2018: US Dollar 8.3 million*) restricted deposit at a financial institution was pledged against long-term loans with a local financial institution. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payment after the two-year grace period expired in September 2013.

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



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

	Consolidated financial statements	
	Year ended 31 December	
	2019	2018
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the year	(24,216)	(27,298)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments):</i>		
Tax expense	575	874
Finance costs	3,397	3,897
Depreciation	19,119	18,201
Amortisation	58	99
Reversal of impairment losses on assets	5,057	(1,800)
Unrealised loss (gain) on exchange	(121)	391
Loss (gain) from revaluation of trading securities	29	(236)
Loss from sale of trading securities	592	-
Share of profit of associates and joint venture, net of tax	(4,756)	(8,062)
Bad and doubtful debts expenses	21	2,253
(Reversal of) losses on supplies and spare parts devaluation	(277)	277
Gains on disposals and write-offs of property, plant and equipment and intangible assets	(7)	(241)
Gain from deconsolidation of a subsidiary	(701)	-
Interest income	(655)	(701)
Provision for employee benefits	550	448
Loss from write-off non-refundable withholding tax	1,547	1,703
	212	(10,195)
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institutions	2,809	(1,748)
Trade accounts receivable	(8,450)	23,994
Other accounts receivable	(2,840)	2,171
Supplies and spare parts	1,042	267
Other non-current assets	(28)	77
Trade accounts payable	2,502	413
Other accounts payable	2,765	(4,227)
Exchange rate losses from translating financial statements	1	2
Net cash generated from (used in) operating activities	(1,987)	10,754
Employee benefit paid	(42)	(188)
Taxes paid	(374)	(687)
Net cash from (used in) operating activities	(2,403)	9,879



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Consolidated financial statements

Year ended 31 December

2019 2018

(in thousand US Dollar)

Cash flows from investing activities

Proceed from sale of current investment	7,208	-
Increase in current investments	(2,000)	(17,800)
Acquisition of investment in associate	-	(5,232)
Proceeds from sale of property, plant and equipment	24	4,045
Acquisition of property, plant and equipment and intangible assets	(1,515)	(7,547)
Interest received	703	667
Net cash from (used in) investing activities	4,420	(25,867)

Cash flows from financing activities

Proceed from short-term loans from financial institutions	244	-
Repayment of borrowings	(12,000)	(12,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	-	(60)
Finance costs paid	(3,351)	(3,767)
Net cash used in financing activities	(15,107)	(15,827)

Net decrease in cash and cash equivalents, before effect of exchange rates

Net cash effect from loss of control in a subsidiary	(1,102)	-
Effect of exchange rate changes on cash and cash equivalents	204	(393)

Net decrease in cash and equivalents

Cash and cash equivalents at beginning of year	36,484	68,692
Cash and cash equivalents at ending of year	22,496	36,484

Non-cash transactions

Receivables for sales of property, plant and equipment and intangible assets	7	24
Payables for purchase of property, plant and equipment and intangible assets	242	276
Finance lease agreements for purchases of equipment	-	87
Transfer of advance payment of investment to investment in associates	-	17,275



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

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



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	Consolidated financial statements										
	Issued and paid share capital	Share premium on ordinary shares	Retained earnings/(Deficit)		Other components of equity				Equity attributable to owners of parent	Non- controlling interests	Total equity
			Legal reserve	Deficit	Translation of financial statements	Share- based payment	Changes in ownership interests	Total other components of equity			
<i>(in thousand US Dollar)</i>											
Year ended 31 December 2018											
Balance at 1 January 2018	47,322	343,536	-	(46,052)	1,193	28	(3,420)	(2,199)	342,607	(423)	342,184
Comprehensive income (expense) for the year											
Loss	-	-	-	(27,193)	-	-	-	-	(27,193)	(105)	(27,298)
Exchange differences on translating financial statements	-	-	-	-	2	-	-	2	2	-	2
Total comprehensive income (expense) for the year	-	-	-	(27,193)	2	-	-	2	(26,191)	(105)	(27,296)
Balance at 31 December 2018	47,322	343,536	-	(73,245)	1,195	28	(3,420)	(2,197)	315,416	(528)	314,888



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Separate financial statements

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



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	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
<i>(in thousand US Dollar)</i>							
Year ended 31 December 2018							
Balance at 1 January 2018	47,322	343,536	(7,406)	-	18,546	28	402,026
Comprehensive expense for the year							
Loss	-	-	-	-	(1,015)	-	(1,015)
Total comprehensive expense for the year	-	-	-	-	(1,015)	-	(1,015)
Balance at 31 December 2018	47,322	343,536	(7,406)	-	17,531	28	401,011



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

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

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

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

As at 31 December 2019 and 31 December 2018, there were no outstanding treasury shares.

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

Not applicable, since the Company has not transacted treasury shares during the year ended on 31 December 2019. (*31 December 2018*: none)

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

Not applicable.

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

The figures have been audited in accordance with the Thai Standards on Auditing ("TSA") by the Company's independent auditor, KPMG Phoomchai Audit Limited.

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

The signed independent auditor's report including the audit opinion and key audit matters are on pages 1 to 5 of the financial statements for the year ended on 31 December 2019, which are reported together with this announcement and available on the SGX's website and the Company's website.

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

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

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

Please read notes 3 and 4 on the financial statements for the year ended 31 December 2019, which is available on the SGX's website and the Company's website.

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

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

Basic earnings (losses) per share

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

	Consolidated financial statements			
	2019	2018	2019	2018
	<i>(in thousand US Dollar/ thousand shares)</i>		<i>(in thousand Baht/ thousand shares)</i>	
Loss attributable to ordinary shareholders of the Company (basic)	<u>(24,258)</u>	<u>(27,193)</u>	<u>(751,000)</u>	<u>(877,782)</u>
Number of ordinary shares outstanding (basic)	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>	<u>1,413,329</u>
	<i>(in US dollar)</i>		<i>(in Baht)</i>	
Losses per share (basic)	<u>(0.0172)</u>	<u>(0.0192)</u>	<u>(0.5314)</u>	<u>(0.6211)</u>

There was no potential dilution in earning per share from the employee share option plan for the year ended 31 December 2019.



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

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

	Consolidated		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	USD	USD	USD	USD
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of the respective year				
- Ordinary share (Basic)	0.20	0.22	0.25	0.28

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

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

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

The Group has key material impact to the consolidated financial statements for the year ended 31 December 2019 as describe below:

The consolidated financial statement for the year ended 31 December 2019 have been prepared based on a loss of control of PT Seascope Surveys Indonesia. The Group recognises gain from loss of control in a subsidiary as other income in amount of US Dollar 0.7 million.

The Group has early adopted TFRS 9 Financial Instruments from 1 January 2019 under the modified retrospective approach. The impact to retained earnings on 1 January 2019 from applying TFRS 9 in amount of US Dollar 3.8 million.

The Group recognises impairment loss in amount of US Dollar 5.1 million as the exploration business is in downturn which influenced the expenditure of the Group’s customers on oil and gas exploration and production activities, which resulted in lower utilisation and day rate for subsea services.

Business Segment Analysis

Subsea group reported service income in FY2019 of US Dollar 105.9 million, an increase of US Dollar 11.1 million or 11.7% compared to US Dollar 94.8 million in FY2018. This was primarily due to a higher utilization of own performing vessels.

Subsea group generated gross loss of US Dollar 3.3 million in FY2019, a decrease of US Dollar 5.8 million compared to US Dollar 9.1 million in FY2018. This was primarily due to a higher utilization of own performing vessels.



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Subsea Group reported loss before finance costs and income tax expense in FY2019 of US Dollar 29.8 million, an increase of US Dollar 0.6 million compared to US Dollar 29.2 million in FY2018, as a result of an impairment loss on non-performing vessel and net loss on foreign exchange.

Holding group reported profit before finance costs, income tax expense and share of profit of associate and joint venture of US Dollar 2.4 million in FY2019, an increase of US Dollar 1.3 million compared to losses of US Dollar 1.1 million in FY2018. This was primarily due to an increase in net gain on foreign exchange and gain from loss of control in a subsidiary.

Consolidated Income Statements

The Group recorded service income of US Dollar 105.9 million in FY2019, an increase in service income by US Dollar 11.1 million or approximately by 11.7% compared to US Dollar 94.8 million in FY2018.

The Group reported gross loss of US Dollar 3.1 million in FY2019, a decrease of US Dollar 5.9 million or approximately by 65.5% compared to US Dollar 9.0 million in FY2018.

The Group reported other income of US Dollar 0.9 million in FY2019, which is included gain from loss of control in a subsidiary in amount of US Dollar 0.7 million.

The Group recorded administrative expenses of US Dollar 23.7 million in FY2019, a decrease of US Dollar 1.3 million or approximately by 5.3% compared to US Dollar 25.0 million in FY2018. This was primarily due to a decreasing of legal and professional service fee and cost saving program which was offset against impairment loss of US Dollar 5.1 million.

Share of Investments in Associate, Joint venture, Finance Costs and Income Taxes

The share of profits from investment in AOD* was US Dollar 5.3 million in FY2019, a decrease of US Dollar 2.7 million, compared to the share profits of US Dollar 8.0 million in FY2018, mainly due to a day rate reduction although the rigs are high utilization.

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

Finance costs were US Dollar 3.4 million in FY2019, a decrease of US Dollar 0.5 million or approximately by 12.8% compared to US Dollar 3.9 million in FY2018. This mainly came from a decrease in market interest rate.

Income tax expenses were US Dollar 0.6 million in FY2019, a decrease of US Dollar 0.3 million or approximately by 34.2% compared to US Dollar 0.9 million in FY2018. This was primarily due to an adjustment of corporate income tax in FY2017.

Loss for the year

As a result, the Group reported net loss of US Dollar 24.2 million in FY2019, a decrease of US Dollar 3.1 million from net loss of US Dollar 27.3 million FY2018.



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Consolidated Balance Sheets

Current assets as at 31 December 2019 were US Dollar 88.7 million, a decrease of US Dollar 10.2 million or approximately 10.3% compared to US Dollar 98.9 million as at 31 December 2018. The decrease was primarily due to a decrease in cash and cash equivalents and current investment of US Dollar 14.0 million and US Dollar 5.8 million, respectively. While trade accounts receivables increased in amount of US Dollar 6.3 million which was in line with increase in sales. In addition, the Group recognised other accounts receivable and short-term loan to related party in amount of US Dollar 2.1 million and US Dollar 5.4 million, respectively due to the loss of control in a subsidiary.

Non-current assets as at 31 December 2019 were US Dollar 285.3 million, a decrease of US Dollar 25.4 million or approximately 8.2% compared to US Dollar 310.7 million as at 31 December 2018. The change mainly came from a decrease in property, plant and equipment of US Dollar 24.2 million which arose from a depreciation expenses, impairment loss of cold stack vessels and a loss of control in a subsidiary.

Current liabilities as at 31 December 2019 were US Dollar 41.2 million, an increase of US Dollar 0.9 million or approximately 2.2% compared to US Dollar 40.3 million as at 31 December 2018. This was primarily due to an increase in trade and other accounts payable and income tax payable which was offset against a decrease in current portion of long-term borrowings according to a loan repayment schedule.

Non-current liabilities as at 31 December 2019 were US Dollar 45.9 million, a decrease of US Dollar 8.5 million or approximately 15.6% compared to US Dollar 54.4 million as at 31 December 2018. This was primarily due to a loan repayment during the year for long-term borrowings from financial institution.

Equity as at 31 December 2019 was US Dollar 287.0 million, a decrease of US Dollar 27.9 million or approximately 8.9% compared to US Dollar 314.9 million from 31 December 2018. This was mainly due to reported net loss for the year and early adoption of Thai Financial Reporting Standard relating to the set of Financial Instruments.

Working Capital

The Company's working capital as at 31 December 2019 was US Dollar 47.6 million, a decrease of US Dollar 11.0 million or approximately by 18.8% compared to US Dollar 58.6 million as at 31 December 2018. This was mainly due to the decrease in cash and cash equivalents and current investments.

Consolidated Cash Flow Statements

The Company had net cash used in operating activities for the year ended 31 December 2019 of US Dollar 2.4 million which is lower than the cash flow for the corresponding period ended 31 December 2018. This was mainly due to reported net loss for the year.

The Company had net cash from investing activities for the year ended 31 December 2019 of US Dollar 4.4 million, primarily due to a proceed from sale of current investments of US Dollar 7.2



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million, which was offset against an acquisition of current investments of US Dollar 2.0 million and a purchase of property, plant and equipment and intangible assets of US Dollar 1.5 million.

The Company had net cash used in financing activities for the year ended 31 December 2019 of US Dollar 15.1 million, primarily due to a repayment of borrowing to financial institutions according to the repayment schedule and finance costs.

The Company had net cash effect from loss of control in a subsidiary for the year ended 31 December 2019 of US Dollar 1.1 million due to the deconsolidate PTSSI from the consolidated financial statements as at 31 December 2019.

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

Not applicable

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

The Energy Information Administration (EIA) has forecasted that the Brent crude oil spot price will average US\$65p/b in 2020 and US\$68p/b in 2021 and that the West Texas Intermediate (WTI) spot price will average US\$59p/b in 2020 and US\$62p/b in 2021.

The EIA has also reported that it expects that crude oil prices will remain elevated in the first few months of 2020, reflecting a price premium on crude oil from recent geopolitical events. However, this price premium will diminish in the first half of 2020, and market fundamentals will drive the crude oil price forecast in the second half of 2020 and in 2021.

Recently there has been several geopolitical incidents that have provided an upward trend on the crude oil prices. These incidents include attacks on oil tankers transiting the Persian Gulf and the Red Sea, the September 2019 attack on Saudi Arabia's energy infrastructure, and recent tensions between the United States and Iran. With these incidences the monthly average Brent prices rose from US\$63p/b in September 2019 to US\$67p/b in December 2019. Crude oil prices increased during this period despite global liquid fuels inventories growing by 130,000 barrels per day (b/d).

The U.S. military action in Iraq in January 2020 further increased the geopolitical risk premium on oil prices and increased the uncertainty about possible disruptions to oil production and shipping segments in the Middle East. Following this development, the price of Brent crude oil touched US\$70p/b but since then the prices have consequently plunged.

As the risk premium decreases, the EIA has assumed that the Brent Oil price will decline in early 2020 to an average of US\$62p/b in May and with that does not forecast significant supply disruptions putting an upward pressure on prices.

The International Energy Agency (IEA) forecasts non-OPEC supply will add a 2.3 million barrels a day in 2020, with the growth coming from production in the United States, Brazil, Canada, Norway and Guyana. That will more than cover anticipated increases in global oil demand of 1.2



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million barrels a day and force OPEC and some non-OPEC partners, led by Russia, to continue price-supportive supply cuts.

Oil prices in the range of US\$60p/b to US\$70p/b will underpin 7% annual growth in the subsea sector until 2025, says Rystad Energy. Even if oil falls to US\$50p/b, growth in the subsea sector would be 5% annually until 2022. Rystad Energy warns the growth rate will drop to zero after 2022 if oil falls in price.

The offshore and onshore conventional service market in 2020 will benefit from increasing project sanctions, the total value of which is expected to grow to as much as \$225 billion in 2020 from US\$200 billion in 2019, Rystad said. Gas projects are projected to drive most of the growth, with US\$50 billion worth of contribution from onshore LNG. Offshore project sanctioning could total some US\$100 billion in 2020, keeping offshore service purchases flat for the year before a wave of projects matures into execution mode, driving purchases up 5% and 7% in 2021 and 2022, respectively. The land market will also get a boost, albeit further in the future once expected LNG projects have entered the most intense construction period, Rystad said.

In Rystad Energy's latest market report where it looked at market developments in floating production, storage and offloading vessels (FPSOs), installation of sub-sea umbilical's, risers and flow lines (SURF), plus Deepwater and LNG projects, the FPSO market, contractors won 13 new orders in 2019. This brought the total number at various stages of development to 28. Rystad Energy suggests that there is not enough industrial capacity to complete all additional orders on time during 2020. As for the installation of SURF market, order books are booming, and suppliers are facing problems in keeping pace with demand. For example, some 600 subsea Christmas trees were ordered in the year 2018 to 2019. In addition, subsea contractors are facing the challenge of installing about 4000 kilometres of subsea oil and gas flow lines and umbilical's in 2020.

There remains to be highly competitive pricing landscape for Mermaid within its DSV IRM and ROV segments which continue to show depressed vessel rates. Mermaid continues to adjust its capabilities in offering a wider range of integrated subsea services and increasing its fleet capability by venturing into new markets in the North Sea, Mediterranean, Egypt and West Africa.

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

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

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

The current status is that 'AOD I' is on contract through to June 2022, 'AOD II' is on contract through to April 2023 and 'AOD III' on contract through to December 2022. The jack-up market



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remains a challenging one and competition remains fierce. During this time, AOD's focus shall continue to be on retaining gainful employment for all three rigs with its existing customer into the long term and to operate all rigs at optimal levels.

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

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

(d) The date the dividend is payable.

Not applicable

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

Not applicable

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

No dividend has been declared or recommended by the board of directors ("Directors") of the Company in respect of FY2019.

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

There is no mandate from shareholders for IPTs.

14. A reconciliation of difference between TFRS to IFRS.

The preliminary impact assessment of initially applying TFRS 16 are in the notes 31 of the financial statements for the year ended 31 December 2019



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

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



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Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

	Consolidated financial statements				
	For the year ended 31 December 2019				
	Subsea group	Holding	Total	Elimination	Group
	<i>(in thousand US Dollar)</i>				
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	68,279	-	68,279	(12)	68,267
Qatar	34,002	-	34,002	-	34,002
Thailand	3,664	-	3,664	-	3,664
Total revenue	105,945	-	105,945	(12)	105,933
Major products/service lines					
Providing services	105,945	-	105,945	(12)	105,933
Total revenue	105,945	-	105,945	(12)	105,933
Timing of revenue recognition					
Over time	105,945	-	105,945	(12)	105,933
Total revenue	105,945	-	105,945	(12)	105,933
<i>Information about reportable segment</i>					
Revenue from rendering of services	105,945	-	105,945	(12)	105,933
Operating profit (loss)	(29,793)	2,380	(27,413)	2,413	(25,000)
Share of profit (loss) of associates and joint venture	(543)	5,299	4,756	-	4,756
Finance costs	(3,644)	-	(3,644)	247	(3,397)
Tax (expense) income	(604)	29	(575)	-	(575)
Profit (loss) for the year	(34,584)	7,708	(26,876)	2,660	(24,216)



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



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



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	Subsea group	Holding	Total	Elimination	Group
			<i>(in thousand US Dollar)</i>		
Cash and cash equivalents	30,666	5,818	36,484	-	36,484
Current investments	18,036	-	18,036	-	18,036
Trade accounts receivable	36,616	-	36,616	(692)	35,924
Investments in associates and joint venture	2,120	119,423	121,543	-	121,543
Property, plant and equipment	167,852	1,577	169,429	-	169,429
	255,290	126,818	382,108	(692)	381,416
Unallocated assets					28,175
Total assets					409,591
Interest-bearing liabilities	67,812	-	67,812	-	67,812
	67,812	-	67,812	-	67,812
Unallocated liabilities					26,891
Total liabilities					94,703
Capital expenditure	6,915	15	6,930	-	6,930
Depreciation	18,223	(22)	18,201	-	18,201
Amortisation	76	23	99	-	99
Gain on disposal property, plant and equipment	431	(1)	430	(189)	241
Reversal of impairment losses on assets	-	1,800	1,800	-	1,800



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

Please see review of performance in section 8 above.

18. A breakdown of sales as follows:

	1 st Half Year		Increase (Decrease) %
	Jan'19 – Jun'19	Jan'18 – Jun'18	
	6 month	6 month	
	USD'000	USD'000	
Revenue from rendering of services	50,615	39,521	28.07%
Operating losses after tax before deducting minority interests reported for the period	(10,410)	(13,880)	-25.00%

	2 nd Half Year		Increase (Decrease) %
	Jul'19 – Dec'19	Jul'18 – Dec'18	
	6 month	6 month	
	USD'000	USD'000	
Revenue from rendering of services	55,318	55,239	0.14%
Operating losses after tax before deducting minority interests reported for the period	(12,402)	(13,418)	-7.57%

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

(a) Ordinary

Please see section 11 above.

(b) Preference

Not applicable

(c) Total

Please see section 11 above.



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20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company in respect of the financial year ended 31 December 2019.

BY ORDER OF THE BOARD

Mr. Prasert Bunsumpun
Chairman of the Board
28 February 2020

Mr. Chalermchai Mahagitsiri
Chief Executive Officer
28 February 2020