


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 March 2020

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 three-month period ended 31 March.

	Consolidated financial statements		Change %
	Three-month period ended 31 March		
	2020	2019 (restated)	
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	22,176	25,792	-14.0%
Interest income	1	210	-99.5%
Net gain on foreign exchange	8	92	-91.3%
Other income	86	105	-18.1%
Total revenues	22,271	26,199	-15.0%
Expenses			
Costs of rendering of services	28,729	25,898	10.9%
Administrative expenses	4,120	4,851	-15.1%
Finance costs	676	971	-30.4%
Total expenses	33,525	31,720	5.7%
Share of profit loss of joint venture and associates accounted for using equity method, net of tax	975	1,510	-35.4%
Loss before income tax expense	(10,279)	(4,011)	156.3%
Tax expense	-	142	-100.0%
Loss for the period	(10,279)	(4,153)	147.5%
Other comprehensive expense:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	(1)	-	n/a
Other comprehensive expense for the period, net of tax	(1)	-	n/a
Total comprehensive expense for the period	(10,280)	(4,153)	147.5%
Profit (loss) attributable to:			
Owners of parent	(10,115)	(4,154)	143.5%
Non-controlling interests	(164)	1	-16500.0%
Loss for the period	(10,279)	(4,153)	147.5%
Total comprehensive income (expense) attributable to:			
Owners of parent	(10,116)	(4,154)	143.5%
Non-controlling interests	(164)	1	-16500.0%
Total comprehensive expense for the period	(10,280)	(4,153)	147.5%
Losses per share			
<i>(in US Dollar)</i>			
Basic losses per share	(0.0072)	(0.0029)	148.3%
Notes to the income statements			
Depreciation and amortization	4,023	4,823	
Loss (gain) from revaluation of trading securities	466	(46)	
Reversal of bad and doubtful debts expenses	264	93	


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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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
Assets	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
<i>Current assets</i>				
Cash and cash equivalents	19,809	22,496	311	3,875
Current investments	8,741	12,207	-	-
Trade accounts receivable	36,036	42,237	-	-
Other accounts receivable	6,303	5,801	115,881	122,498
Short-term loans to related parties	5,371	5,371	47,152	49,945
Supplies and spare parts	596	619	-	-
Total current assets	76,856	88,731	163,344	176,318
<i>Non-current assets</i>				
Restricted deposit at financial institution	10,781	11,268	-	-
Investments in associates	123,319	122,360	22,507	22,507
Investments in joint venture	1,593	1,577	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	527	539	1,780	1,826
Property, plant and equipment	144,816	145,207	99	115
Right-of-use assets	188	-	182	-
Goodwill	2,066	2,066	-	-
Intangible assets	44	55	10	12
Deferred tax assets	2,139	2,139	48	48
Other non-current assets	106	106	24	24
Total non-current assets	285,579	285,317	181,822	181,704
Total assets	362,435	374,048	345,166	358,022


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	31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
Liabilities and equity				
Current liabilities				
Short-term loans from financial institutions	-	244	-	-
Trade accounts payable	9,284	8,250	-	-
Other accounts payable	19,532	20,021	578	750
Current portion of long-term borrowings	13,300	11,953	110	-
Current portion of lease liabilities	112	-	-	-
Current income tax payable	468	692	-	-
Total current liabilities	42,696	41,160	688	750
Non-current liabilities				
Long-term borrowings	40,827	43,846	-	-
Lease liabilities	70	-	67	-
Provisions for employee benefits	2,129	2,049	250	242
Total non-current liabilities	43,026	45,895	317	242
Total liabilities	85,722	87,055	1,005	992
Equity				
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)	(111,452)	(101,337)	(39,319)	(26,450)
Other components of equity	(2,197)	(2,196)	28	28
Equity attributable to owners of the parent	277,209	287,325	344,161	357,030
Non-controlling interests	(496)	(332)	-	-
Total equity	276,713	286,993	344,161	357,030
Total liabilities and equity	362,435	374,048	345,166	358,022



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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 March 2020		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	13,412	-	13,412
Amount repayable after one year	40,897	-	40,897

	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

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

As at 31 March 2020, the Group’s property, plant and equipment with a net book value of US Dollar 107.5 million (31 December 2019: US Dollar 110.0 million) were registered to secure long-term facilities with financial institutions.

As at 31 March 2020, US Dollar 7.8 million (31 December 2019: US Dollar 7.6 million) of 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.

As at 31 March 2020, US Dollar 3.0 million (31 December 2019: US Dollar 3.7 million) of restricted deposit at a financial institution was 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	
	Three-month period ended	
	31 March	
	2020	2019
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the period	(10,279)	(4,153)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense	-	142
Finance costs	676	971
Depreciation	4,012	4,803
Amortisation	11	20
Unrealised gain on exchange	(4,112)	(105)
Loss (gain) from revaluation of trading securities	466	(46)
Gain from sale of trading securities	(10)	-
Share of profit of associates and joint venture, net of tax	(975)	(1,510)
Reversal of bad and doubtful debts expenses	(264)	(93)
Interest income	(1)	(210)
Provision for employee benefits	80	11
Loss from write-off non-refundable withholding tax	447	397
	(9,949)	227
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institution	487	(41)
Trade accounts receivable	10,656	(9,855)
Other accounts receivable	(982)	(2,428)
Supplies and spare parts	23	137
Other non-current assets	-	(29)
Trade accounts payable	1,051	(278)
Other account payable	(694)	4,143
Exchange rate losses from translating financial statements	(1)	-
	591	(8,124)
Net cash generated from (used in) operating activities		
Provision for employee benefit paid	-	(19)
Taxes paid	(242)	(152)
	(242)	(152)
Net cash from (used in) operating activities	349	(8,295)



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Three-month period ended

31 March

2020 2019

(in thousand US Dollar)

Cash flows from investing activities

Proceed from sale of current investments	3,010	-
Proceeds from sale of property, plant and equipment	7	24
Acquisition of property, plant and equipment	(3,375)	(893)
Interest received	46	209
Net cash used in investing activities	(312)	(660)

Cash flows from financing activities

Repayment of short-term loans from financial institutions	(244)	-
Proceeds from long-term loans from financial institutions	1,315	-
Repayment of borrowings	(3,000)	(3,000)
Payment of lease liabilities	(30)	-
Finance costs paid	(671)	(956)
Net cash used in financing activities	(2,630)	(3,956)

Net decrease in cash and cash equivalents, before effect of exchange rates	(2,593)	(12,911)
Effect of exchange rates changes on cash and cash equivalents	(94)	133
Net decrease in cash and cash equivalents	(2,687)	(12,778)
Cash and cash equivalents at 1 January	22,496	36,484
Cash and cash equivalents at 31 March	19,809	23,706

Non-cash transactions

Receivables for sales of property, plant and equipment	1	-
Payables for purchase of property, plant and equipment	453	352
Lease agreements for purchases of equipment	183	-



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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										
					Other components of equity						
					Retained earnings/(Deficit)					Total	Equity
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests	other components of equity	attributable to owners of parent	Non- controlling interests	
<i>(in thousand US Dollar)</i>											
Three-month period ended 31 March 2020											
Balance at 1 January 2020	47,322	343,536	-	(101,337)	1,196	28	(3,420)	(2,196)	287,325	(332)	286,993
Comprehensive expense for the period											
Loss	-	-	-	(10,115)	-	-	-	-	(10,115)	(164)	(10,279)
Exchange differences on translation financial statements	-	-	-	-	(1)	-	-	(1)	(1)	-	(1)
Total comprehensive expense for the period	-	-	-	(10,115)	(1)	-	-	(1)	(10,116)	(164)	(10,280)
Balance at 31 March 2020	47,322	343,536	-	(111,452)	1,195	28	(3,420)	(2,197)	277,209	(496)	276,713



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	Retained earnings/(Deficit)				Other components of equity			Total	Equity		Total
	Issued and paid share capital	Share premium on ordinary shares	Legal reserve	Deficit	Translation of financial statements	Share-based payment	Changes in ownership interests		other components of equity	attributable to owners of parent	
<i>(in thousand US Dollar)</i>											
Three-month period ended 31 March 2019											
Balance at 1 January 2019 - 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
Comprehensive income (expense) for the period - restated											
Profit or loss	-	-	-	(4,154)	-	-	-	-	(4,154)	1	(4,153)
Total comprehensive income (expense) for the period	-	-	-	(4,154)	-	-	-	-	(4,154)	1	(4,153)
Balance at 31 March 2019	47,322	343,536	-	(81,224)	1,195	28	(3,420)	(2,197)	307,437	(527)	306,910



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	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	Deficit	Share-based payment	
<i>(in thousand US Dollar)</i>							
Three-month period ended 31 March 2020							
Balance at 1 January 2020	47,322	343,536	(7,406)	-	(26,450)	28	357,030
Comprehensive expense for the period							
Loss	-	-	-	-	(12,869)	-	(12,869)
Total comprehensive expense for the period	-	-	-	-	(12,869)	-	(12,869)
Balance at 31 March 2020	47,322	343,536	(7,406)	-	(39,319)	28	344,161



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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>							
Three-month period ended 31 March 2019							
Balance at 1 January 2019 - 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 for the period							
Profit	-	-	-	-	3,407	-	3,407
Total comprehensive income for the period	-	-	-	-	3,407	-	3,407
Balance at 31 March 2019	47,322	343,536	(7,406)	-	(33,036)	28	350,444



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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 March 2020 and 31 December 2019, 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, respectively.

As at 31 March 2020 and 31 December 2019, there were no outstanding treasury shares.

1 (d)(iv) A statement showing all sales, transfers, 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 period ended 31 March 2020.

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 prepared in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and reviewed by the Company's 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 independent auditor's report on review of interim financial information is on pages 1 of the interim consolidated and the Company financial statements for the three-month period ended 31 March 2020, 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 Thai GAAP 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 2 on the financial statements for the period ended 31 March 2020, 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 losses per share

The calculations of basic losses per share for the three-month period ended 31 March 2020 and 2019 were based on the loss for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2020 <i>(in thousand US Dollar/ thousand shares)</i>	2019 <i>(in thousand US Dollar/ thousand shares)</i>	2020 <i>(in thousand Baht/ thousand shares)</i>	2019 <i>(in thousand Baht/ thousand shares)</i>
Loss attributable to ordinary shareholders of the Company (basic)	<u>(10,115)</u>	<u>(4,154)</u>	<u>(316,457)</u>	<u>(131,314)</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>(0.0072)</u>	<u>(0.0029)</u>	<u>(0.2239)</u>	<u>(0.0929)</u>

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.



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	Consolidated		Company	
	31-Mar-20	31-Dec-19	31-Mar-20	31-Dec-19
	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	0.20	0.24	0.25

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.**

Business Segment Analysis

Subsea Group reported service income for the three months period ended 31 March 2020 of US Dollar 22.2 million, a decrease of US Dollar 3.6 million or approximately 14.0% compared to US Dollar 25.8 million of the corresponding period. This was primarily due to the day rate was reduced in this quarter.

Subsea Group generated gross loss for the three months period ended 31 March 2020 of US Dollar 6.6 million, an increase of US Dollar 6.5 million compared to US Dollar 0.1 million of the corresponding period. This was primarily due to the chartered-in third party vessel to replace the owned dry docking vessel.

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 31 March 2020 of US Dollar 5.3 million, a decrease of US Dollar 0.1 million compared to US Dollar 5.4 million of the corresponding period, as a result of net gain on foreign exchange.

Consolidated Income Statements

The Group recorded service income for the three months period ended 31 March 2020 of US Dollar 22.2 million, a decrease of US Dollar 3.6 million or approximately 14.0% compared to US Dollar 25.8 million of the corresponding period.

The Group reported a gross loss for the three months period ended 31 March 2020 of US Dollar 6.6 million, an increase of US Dollar 6.5 million compared to US Dollar 0.1 million for the corresponding period.

The Group recorded administrative expenses for the three months period ended 31 March 2020 of US Dollar 4.1 million, a decrease of US Dollar 0.8 million compared to US Dollar 4.9 million for the corresponding period. This was primarily due to legal fee and reversal of bad debt.



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Share of Investments in Associate and jointly-controlled entity

The share of profits from AOD* investment for the three months period ended 31 March 2020 was US Dollar 1.0 million, a decrease of US Dollar 0.5 million compared to the share profits of US Dollar 1.5 million in corresponding period. This mainly came from day rate deduction.

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

Loss for the period

As a result, the Group reported net loss for the three months period ended 31 March 2020 of US Dollar 10.3 million, an increase of US Dollar 6.1 million compared to US Dollar 4.2 million as reported in the last three months period ended 31 March 2019.

Consolidated Balance Sheets

Current assets as at 31 March 2020 were US Dollar 76.9 million, a decrease of US Dollar 11.8 million or approximately 13.3% compared to US Dollar 88.7 million as at 31 December 2019. The decrease was primarily due to a decrease in trade accounts receivables of US Dollar 6.2 million which was in line with increase in sales. Cash and cash equivalents and current investment also decreased in amount of US Dollar 2.7 million and US Dollar 3.5 million, respectively.

Non-current assets as at 31 March 2020 were US Dollar 285.6 million, an increase of US Dollar 0.3 million or approximately 0.1% compared to US Dollar 285.3 million as at 31 December 2019. The change mainly came from the share of profits from investment in associates of US Dollar 1.0 million in this period. While restricted deposit at financial institutions and property, plant and equipment decreased in amount of US Dollar 0.5 million and 0.2 million, respectively.

Current liabilities as at 31 March 2020 were US Dollar 42.7 million, an increase of US Dollar 1.5 million or approximately 3.6% compared to US Dollar 41.2 million as at 31 December 2019. This was primarily due to an increase in trade accounts payable and current portion of long-term borrowings.

Non-current liabilities as at 31 March 2020 were US Dollar 43.0 million, a decrease of US Dollar 2.9 million or approximately 6.3% compared to US Dollar 45.9 million as at 31 December 2019. This was primarily due to a repayment of long-term borrowing from financial institution.

Equity as at 31 March 2020 was US Dollar 276.7 million, a decrease of US Dollar 10.3 million or approximately 3.6% compared to US Dollar 287.0 million from 31 December 2019. This was mainly due to reported net loss for the year.



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Working Capital

The Company's working capital as at 31 March 2020 was US Dollar 34.2 million, a decrease of US Dollar 13.4 million or approximately 28.2% compared to US Dollar 47.6 million as at 31 December 2019.

Consolidated Cash Flow Statements

The Group had net cash from operating activities for the three months period ended 31 March 2020 of US Dollar 0.3 million which mainly from decreased in trade accounts receivable and other accounts receivable.

The Group had net cash used in investing activities for the three months period ended 31 March 2020 of US Dollar 0.3 million which was primarily due to an acquisition of property, plant and equipment and proceed from sale of current investments.

The Group had net cash used in financing activities for the three months period ended 31 March 2020 of US Dollar 2.6 million, primarily due to loan repayment to financial institutions and finance cost paid while the Company has a new proceeds from long-term loans from financial institution for dry docking.

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.

With the lockdowns enforced globally across numerous countries and territories to contain the virus, oil prices have plummeted.

In March 2020, oil prices plunged to multi-year lows as tensions between Russia and Saudi Arabia escalated, sparking a price war. A sell-off in crude ensued, when OPEC failed to make a deal on oil production cuts with its allies causing Saudi Arabia to cut its oil prices and ramp up production.

In April 2020, it was reported that amid forecasts for demand during the pandemic, the benchmark price for Brent crude oil dropped by more than 5% to approximately \$28 per barrel. Concurrently, West Texas Intermediate (WTI) prices plunged to 18-year lows of approximately \$19 per barrel after the quickest rise in surplus oil supplies in history. With these plummeting oil prices, the OPEC cartel agreed with its allies to cut production of up to 20 million barrels per day in May 2020.

The International Energy Agency (IEA) warned that the biggest production cuts in history would fail to offset the deepest fall in demand in 25 years. This has highlighted fears among



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oil traders that the OPEC deal would prove to be “too little, too late”. The IEA has stated, that even assuming travel restrictions are eased in the second half of 2020, it expects that the global oil demand in 2020 would fall further. The collapse in oil demand has left the global market oversupplied with enough crude to overwhelm storage facilities for some time.

To protect balance sheets and preserve cash, oil and gas companies have gone into survival mode by reducing forecast expenditure to weather the impact of the pandemic and oil market volatility. As a result, capital expenditure cuts have been announced. Significant capital reductions are being seen in upstream operations, particularly for global exploration budgets and unsanctioned developments.

Globally, Rystad Energy estimates a further 15% decrease in the drilling and exploration segments for 2020 and the cuts in field development spending will have a knock-on effect to oil field service providers.

Whilst the Group continues to focus on our core business lines in securing our vessels utilization rates throughout 2020, the Group has already taken painful but necessary measures to lessen the impact of the pandemic on our business by minimising the hire of third party vessel charters and implementing further measures to reduce our workforce.

For the Group to sustain itself, our focused priorities are to preserve the health of all our people, ensure business continuity and to reduce costs. Cutting business spending while remaining competitive and operationally efficient will help the Group to weather the current instability.

In our offshore drilling joint venture with Seadrill Ltd. under Asia Offshore Drilling Limited (“AOD”), the Group’s three high specification jack-up drilling rigs continue to operate optimally in the Middle East with near full utilization during the first quarter of 2020. 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 combination of AOD’s rigs being of the same design and specification and working for the same customer in the same location on an uninterrupted basis has allowed AOD to benefit from operational efficiency and economies of scale.

At present, the current services contract for ‘AOD I’ expires in June 2022, ‘AOD III’ expires in December 2022 and ‘AOD II’ expires in April 2023. Due to the recent crude oil price movements, the offshore drilling sector has become susceptible to customers potentially requesting contractors to reduce prices, options not being exercised, delays in sanctioning of projects, possible suspensions, cancellations and early termination of contracts and rigs coming off contract and going into cold stack. Based on the experience in previous downturns and the recent news related to other jack-up rigs over the past few weeks, there can be no assurance that the existing contracts secured by AOD’s rigs shall continue until expiry of their terms and/or that the prevailing day rates secured for them will not be reduced.

In this present climate, the jack-up market remains a challenging one and competition remains fierce. During this time, AOD’s focus shall continue to be on using commercial best efforts to retain gainful employment for all three rigs with its existing customer into the long term and to maintain the operations of all rigs at optimal levels.



MERMAID MARITIME PUBLIC COMPANY LIMITED

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(Company Registration No. 0107550000017)

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

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

No dividend has been declared during the period.

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

No dividend has been declared during the period.

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

No dividend has been declared during the corresponding period.

(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).

No dividend has been declared during the period.

(d) The date the dividend is payable.

No dividend has been declared during the period.

(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.

No dividend has been declared during the period.

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 1Q2020 due to the net losses of the Group.

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. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the First quarter that ended on 31 March 2020 of the Group and the Company to be false or misleading in any material respect.



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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

BY ORDER OF THE BOARD

Mr. Prasert Bunsumpun	Mr. Chalermchai Mahagitsiri
Chairman of the Board	Chief Executive Officer