


MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Period Ended 30 June 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 and six-month periods ended 30 June.

	Consolidated financial statements		Change %
	Three-month period ended 30 June		
	2020	2019 (restated)	
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	16,025	24,823	-35.4%
Interest income	1	176	-99.4%
Net gain on foreign exchange	138	141	-2.1%
Other income	88	110	-20.0%
Total revenues	16,252	25,250	-35.6%
Expenses			
Costs of rendering of services	21,538	25,536	-15.7%
Administrative expenses	3,424	5,589	-38.7%
Finance costs	609	898	-32.2%
Total expenses	25,571	32,023	-20.1%
Share of profit of joint venture and associates accounted for using equity method, net of tax	52	1,518	-96.6%
Loss before income tax expense	(9,267)	(5,255)	76.3%
Tax (income) expense	(17)	330	-105.2%
Loss for the period	(9,250)	(5,585)	65.6%
Other comprehensive income (expense):			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	1	1	0.0%
Other comprehensive income for the period, net of tax	1	1	0.0%
Total comprehensive expense for the period	(9,249)	(5,584)	65.6%
Loss attributable to:			
Owners of parent	(9,201)	(5,570)	65.2%
Non-controlling interests	(49)	(15)	226.7%
Loss for the period	(9,250)	(5,585)	65.6%
Total comprehensive expense attributable to:			
Owners of parent	(9,200)	(5,569)	65.2%
Non-controlling interests	(49)	(15)	226.7%
Total comprehensive expense for the period	(9,249)	(5,584)	65.6%
Basic losses per share			
	<i>(in US Dollar)</i>		
Basic losses per share	(0.0065)	(0.0039)	65.2%
Notes to the income statements			
Depreciation and amortization	3,366	4,886	
Loss (gain) from revaluation of trading securities	(890)	478	
Loss from sale of trading securities	383	-	
Bad and doubtful debts expenses	-	26	


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	Consolidated financial statements		
	Six-month period ended		
	2020	30 June 2019 (restated)	Change %
	<i>(in thousand US Dollar)</i>		
Revenues			
Revenues from rendering of services	38,201	50,615	-24.5%
Interest income	2	386	-99.5%
Net gain on foreign exchange	146	233	-37.3%
Other income	174	215	-19.1%
Total revenues	38,523	51,449	-25.1%
Expenses			
Costs of rendering of services	50,267	51,434	-2.3%
Administrative expenses	7,544	10,440	-27.7%
Finance costs	1,285	1,869	-31.2%
Total expenses	59,096	63,743	-7.3%
Share of profit of joint venture and associates accounted for using equity method, net of tax	1,027	3,028	-66.1%
Loss before income tax expense	(19,546)	(9,266)	110.9%
Tax (income) expense	(17)	472	-103.6%
Loss for the period	(19,529)	(9,738)	100.5%
Other comprehensive income (expense):			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	-	1	-100.0%
Other comprehensive income for the period, net of tax	-	1	-100.0%
Total comprehensive expense for the period	(19,529)	(9,737)	100.6%
Loss attributable to:			
Owners of parent	(19,316)	(9,724)	98.6%
Non-controlling interests	(213)	(14)	1421.4%
Loss for the period	(19,529)	(9,738)	100.5%
Total comprehensive expense attributable to:			
Owners of parent	(19,316)	(9,723)	98.7%
Non-controlling interests	(213)	(14)	1421.4%
Total comprehensive expense for the period	(19,529)	(9,737)	100.6%
Basic losses per share			
	<i>(in US Dollar)</i>		
Basic losses per share	(0.0137)	(0.0069)	98.6%
Notes to the income statements			
Depreciation and amortization	7,389	9,709	
Loss (gain) from revaluation of trading securities	(424)	432	
Loss from sale of trading securities	373	-	
Reversal of bad and doubtful debts expenses	(264)	(67)	



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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</u> <u>financial statements</u>		<u>Separate</u> <u>financial statements</u>	
	30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
Assets				
<i>Current assets</i>				
Cash and cash equivalents	26,282	22,496	529	3,875
Current investments	7,631	12,207	-	-
Trade accounts receivable	20,857	42,237	-	-
Other accounts receivable	5,933	5,801	121,734	122,498
Short-term loans to related parties	5,371	5,371	35,707	49,945
Supplies and spare parts	593	619	-	-
Total current assets	66,667	88,731	157,970	176,318
<i>Non-current assets</i>				
Restricted deposit at financial institution	10,937	11,268	-	-
Investments in associates	123,379	122,360	22,507	22,507
Investments in joint venture	1,585	1,577	213	213
Investments in subsidiaries	-	-	156,959	156,959
Investment properties	515	539	1,736	1,826
Property, plant and equipment	146,559	145,207	85	115
Right-of-use assets	163	-	158	-
Goodwill	2,066	2,066	-	-
Intangible assets	34	55	8	12
Deferred tax assets	2,139	2,139	48	48
Other non-current assets	71	106	24	24
Total non-current assets	287,448	285,317	181,738	181,704
Total assets	354,115	374,048	339,708	358,022


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	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand US Dollar)</i>	
Liabilities and equity				
<i>Current liabilities</i>				
Short-term loans from financial institutions	-	244	-	-
Trade accounts payable	9,094	8,250	-	-
Other accounts payable	15,779	20,021	590	750
Current portion of long-term borrowings	10,145	11,953	105	-
Current portion of lease liabilities	107	-	-	-
Current income tax payable	89	692	-	-
Total current liabilities	35,214	41,160	695	750
<i>Non-current liabilities</i>				
Long-term borrowings	49,152	43,846	-	-
Lease liabilities	54	-	51	-
Provisions for employee benefits	2,231	2,049	257	242
Total non-current liabilities	51,437	45,895	308	242
Total liabilities	86,651	87,055	1,003	992
<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)				
Deficit	(120,653)	(101,337)	(44,775)	(26,450)
Other components of equity	(2,196)	(2,196)	28	28
Equity attributable to owners of the parent	268,009	287,325	338,705	357,030
Non-controlling interests	(545)	(332)	-	-
Total equity	267,464	286,993	338,705	357,030
Total liabilities and equity	354,115	374,048	339,708	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 30 June 2020		
	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand (*)	10,252	-	10,252
Amount repayable after one year	49,206	-	49,206

	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 30 June 2020, the Group’s property, plant and equipment with a net book value of US Dollar 109.6 million (31 December 2019: US Dollar 110.0 million) were registered to secure long-term facilities with financial institutions.

As at 30 June 2020, US Dollar 7.9 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 30 June 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	
	Six-month period ended	
	30 June	
	2020	2019
	<i>(in thousand US Dollar)</i>	
<i>Cash flows from operating activities</i>		
Loss for the period	(19,529)	(9,738)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax (income) expense	(17)	472
Finance costs	1,285	1,869
Depreciation	7,368	9,674
Amortisation	21	35
Unrealised gain on exchange	(1,301)	(224)
Loss (gain) from revaluation of trading securities	(424)	432
Loss from sale of trading securities	373	-
Share of profit of associates and joint venture, net of tax	(1,027)	(3,028)
Reversal of allowance for impairment	(264)	(67)
Gains on disposals of property, plant and equipment and intangible assets	(20)	-
Interest income	(2)	(386)
Provision for employee benefits	182	66
Loss from write-off non-refundable withholding tax	756	806
	<u>(12,599)</u>	<u>(89)</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at financial institution	331	2,482
Trade accounts receivable	22,920	(12,127)
Other accounts receivable	(904)	(4,553)
Supplies and spare parts	26	237
Other non-current assets	35	(29)
Trade accounts payable	800	1,787
Other account payable	(5,297)	3,865
Exchange rate losses from translating financial statements	-	1
Net cash generated from (used in) operating activities	<u>5,312</u>	<u>(8,426)</u>
Provision for employee benefit paid	-	(30)
Taxes paid	<u>(612)</u>	<u>(163)</u>
Net cash from (used in) operating activities	<u>4,700</u>	<u>(8,619)</u>


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Consolidated financial statements

Six-month period ended

30 June

2020 2019

(in thousand US Dollar)
Cash flows from investing activities

Proceed from sale of current investments	4,627	3,300
Acquisition of current investments	-	(3,000)
Proceeds from sale of property, plant and equipment	7	24
Acquisition of property, plant and equipment	(7,581)	(1,405)
Interest received	56	422
Net cash used in investing activities	(2,891)	(659)

Cash flows from financing activities

Repayment of short-term loans from financial institutions	(244)	-
Proceeds from long-term loans from financial institutions	6,471	-
Repayment of borrowings	(3,000)	(6,000)
Payment of lease liabilities	(52)	-
Finance costs paid	(1,267)	(1,835)
Net cash from (used in) financing activities	1,908	(7,835)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	3,717	(17,113)
Effect of exchange rates changes on cash and cash equivalents	69	287
Net increase (decrease) in cash and cash equivalents	3,786	(16,826)
Cash and cash equivalents at 1 January	22,496	36,484
Cash and cash equivalents at 30 June	26,282	19,658

Non-cash transactions

Receivables for sales of property, plant and equipment	19	-
Payables for purchase of property, plant and equipment	1,305	12
Lease agreements for purchases of equipment	161	-



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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>											
Six-month period ended 30 June 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	-	-	-	(19,316)	-	-	-	-	(19,316)	(213)	(19,529)
Total comprehensive expense for the period	-	-	-	(19,316)	-	-	-	-	(19,316)	(213)	(19,529)
Balance at 30 June 2020	47,322	343,536	-	(120,653)	1,196	28	(3,420)	(2,196)	268,009	(545)	267,464



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Consolidated financial statements

	Retained earnings/(Deficit)			Other components of equity			Total of equity	Equity		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		attributable to owners of parent	Non- controlling interests	
<i>(in thousand US Dollar)</i>										
Six-month period ended 30 June 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										
Loss	-	-	(9,724)	-	-	-	-	(9,724)	(14)	(9,738)
Exchange differences on translation financial statements	-	-	-	1	-	-	1	1	-	1
Total comprehensive income (expense) for the period	-	-	(9,724)	1	-	-	1	(9,723)	(14)	(9,737)
Balance at 30 June 2019	47,322	343,536	- (86,794)	1,196	28	(3,420)	(2,196)	301,868	(542)	301,326



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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	Deficit	Share-based payment	
<i>(in thousand US Dollar)</i>							
Six-month period ended 30 June 2020							
Balance at 1 January 2020	47,322	343,536	(7,406)	-	(26,450)	28	357,030
Comprehensive expense for the period							
Loss	-	-	-	-	(18,325)	-	(18,325)
Total comprehensive expense for the period	-	-	-	-	(18,325)	-	(18,325)
Balance at 30 June 2020	47,322	343,536	(7,406)	-	(44,775)	28	338,705



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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>							
Six-month period ended 30 June 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 - restated							
Profit	-	-	-	-	7,872	-	7,872
Total comprehensive income for the period	-	-	-	-	7,872	-	7,872
Balance at 30 June 2019	47,322	343,536	(7,406)	-	(28,571)	28	354,909



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1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 the current financial period and as at the end of immediately preceding year.

As at 30 June 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 30 June 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 30 June 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.



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3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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 and six-month periods ended 30 June 2020, which are reported together with this announcement and available on the SGX's website and the Company's website.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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.

The Group has initially applied TFRS 16 Leases which have no material impact on the financial statements. Please read notes 2 on the financial statements for the period ended 30 June 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 30 June 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:



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<i>Three-month period ended 30 June</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>(9,201)</u>	<u>(5,570)</u>	<u>(293,949)</u>	<u>(175,949)</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>(0.0065)</u>	<u>(0.0039)</u>	<u>(0.2080)</u>	<u>(0.1245)</u>

<i>Six-month period ended 30 June</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>(19,316)</u>	<u>(9,724)</u>	<u>(610,406)</u>	<u>(307,263)</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>(0.0137)</u>	<u>(0.0069)</u>	<u>(0.4319)</u>	<u>(0.2174)</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.**

	Consolidated		Company	
	30-Jun-20	31-Dec-19	30-Jun-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)	0.19	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.**



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Consolidated Income Statements

Subsea Group reported service income for the three months period ended 30 June 2020 of US Dollar 16.0 million, a decrease of US Dollar 8.8 million or approximately 35.5% compared to US Dollar 24.8 million of the corresponding period. This primarily came from vessels off-hired due to the vessel was under dry docking and a travel restriction of its crew caused by COVID-19.

Subsea Group generated gross loss for the three months period ended 30 June 2020 of US Dollar 5.5 million, an increase of US Dollar 4.8 million compared to US Dollar 0.7 million of the corresponding period. This was primarily due to the dry docking and COVID-19.

Subsea Group reported loss before finance costs and income tax expense for the three months period ended 30 June 2020 of US Dollar 11.3 million, an increase of US Dollar 2.4 million compared to US Dollar 8.9 million of the corresponding period, as a result of the vessel off-hired.

The Group reported service income for the three months period ended 30 June 2020 of US Dollar 16.0 million, a decrease of US Dollar 8.8 million or approximately 35.4% compared to US Dollar 24.8 million of the corresponding period.

The Group reported a gross loss for the three months period ended 30 June 2020 of US Dollar 5.5 million, an increase of US Dollar 4.8 million compared to US Dollar 0.7 million for the corresponding period.

The Group reported administrative expenses for the three months period ended 30 June 2020 of US Dollar 3.4 million, a decrease of US Dollar 2.2 million compared to US Dollar 5.6 million for the corresponding period. This was primarily due to decreased in legal fee and travelling expense.

Share of Investments in Associate and jointly-controlled entity

The share of profits from AOD* investment for the three months period ended 30 June 2020 was US Dollar 0.1 million, a decrease of US Dollar 1.4 million compared to the share profits of US Dollar 1.5 million in corresponding period. This was mainly from day rate reduction.

**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 30 June 2020 of US Dollar 9.3 million, an increase of US Dollar 3.7 million compared to US Dollar 5.6 million as reported in the last three months period ended 30 June 2019.



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Consolidated Balance Sheets

Current assets as at 30 June 2020 were US Dollar 66.7 million, a decrease of US Dollar 22.0 million or approximately 24.8% 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 21.4 million which was in line with decrease in sales.

Non-current assets as at 30 June 2020 were US Dollar 287.4 million, an increase of US Dollar 2.1 million or approximately 0.7% 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. Property, plant and equipment also increase in amount of US Dollar 1.4 million.

Current liabilities as at 30 June 2020 were US Dollar 35.2 million, a decrease of US Dollar 6.0 million or approximately 14.6% compared to US Dollar 41.2 million as at 31 December 2019. This was primarily due to a decrease in other accounts payable and current portion of long-term borrowings which was offset against an increase in trade accounts payable.

Non-current liabilities as at 30 June 2020 were US Dollar 51.4 million, an increase of US Dollar 5.5 million or approximately 12.0% compared to US Dollar 45.9 million as at 31 December 2019. This was primarily due to a new long-term borrowing from financial institution.

Equity as at 30 June 2020 was US Dollar 267.5 million, a decrease of US Dollar 19.5 million or approximately 6.8% compared to US Dollar 287.0 million from 31 December 2019. This was mainly due to reported net loss for the year.

Working Capital

The Company's working capital as at 30 June 2020 was US Dollar 31.5 million, a decrease of US Dollar 16.1 million or approximately 33.8% 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 six months period ended 30 June 2020 of US Dollar 4.7 million. This was mainly from loss for the period which was offset against a decrease in trade accounts receivable due to a collection during the period.

The Group had net cash used in investing activities for the six months period ended 30 June 2020 of US Dollar 2.9 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 from financing activities for the six months period ended 30 June 2020 of US Dollar 1.9 million, primarily due to loan repayment to financial institutions and finance cost paid while the Group has a new proceeds from long-term loans from financial institution for vessel dry docking.



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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.

Brent crude oil prices averaged \$40/b in June, up \$11/b from May and up \$22/b from the multiyear lows from April. Prices rose as OPEC+ producers agreed to extend the deepest production cuts through July and as indications that many locations previously under lockdown orders were increasing liquid fuels demand.

EIA expects Brent crude oil prices to average \$41/b during the second half of 2020 and \$50/b during 2021, reaching \$53/b by the end of 2021. However, this price path reflects global oil consumption of 96 million b/d during the second half of 2020 along with relatively strict compliance to announced OPEC+ production cuts, both of which are uncertain. Rystad Energy's latest estimates project that global oil demand will fall by 11.8 percent, or 11.7 million barrels per day, year-over-year, as a result of the Covid-19 crisis.

As the coronavirus ravages global economies and saps energy demand, the Saudis are leading a push among major oil producers to cut supplies. State company Saudi Aramco agreed to cap output at 8.5 million barrels a day from May-July as part of an OPEC+ agreement to boost prices. Observed Saudi crude exports fell to 5.7 million barrels a day through June 29, the lowest since 2017.

Rystad Energy analysis reveals global upstream investments is set for a 15-year low, falling to \$383 billion in 2020, a 29% decrease of \$156 billion compared to 2019. About 125 E&P's have thus far communicated spending cuts, amounting to a reduction of \$100 billion in 2020. National Oil Companies (NOCs) are the largest contributors to the global reduction, decreasing spending by \$32 billion. Most shale operators have revised their capital guidance range.

Due to the ongoing threat of a Covid-19 outbreak, the subsea market is not shielded from the crisis. For 2020, the subsea sector might have a revenue cushion from already sanctioned projects currently under development but it is expected that any new investments sanctioned this year will be even lower than the bottom of the last down cycle in 2016. Major offshore projects are being pushed out by operators, and for any projects that are still on the table, service companies will struggle to secure financing in the current market.

Our biggest client Saudi Aramco is currently weighing bids for new long-term offshore maintenance contracts involving its huge Marjan oil field, which could be valued at \$1.5 billion to \$2 billion annually. However, the Kingdom has deferred plans to FID the \$5-billion Zuluf field until at least fourth-quarter 2021.



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The global utilization for offshore rigs dropped over 7%. This is the largest percentage change in utilization that the rig market has seen in this period. Drilling rig contract cancellations continue as COVID-19 depresses oil demand and lowers the energy price environment.

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 when active on contract. All three rigs have been working for the same ultimate customer in the same location since delivery from the shipyard in 2013 and have had their contracts continually renewed on a back-to-back basis to date. In the month of June 2020, a suspension notice was received in relation to ‘AOD II’ due to change in the ultimate customer’s drilling programs. The suspension, which shall be on zero rate, shall last for no more than twelve (12) months and shall automatically extend the term of the ‘AOD II’ contract by the same period. The ultimate customer has the right to recall the said rig back to work at anytime during the suspension period.

The current status is that ‘AOD I’ remains on contract through to June 2022, ‘AOD II’ originally on contract through to April 2023 is on contract suspension for a period of no more than twelve (12) months, and ‘AOD III’ remains on contract through to December 2022. Also as part of the ultimate customer’s cost rationalization requirements following the sharp decline in crude oil prices, all three rigs have also had their day rates further reduced with retrospective effect from 1 January 2020 for ‘AOD I’ and ‘AOD III’ and from 1 June 2020 for ‘AOD II’. The jack-up market 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 ultimate customer into the long term and to operate all rigs at optimal levels.

Finally, the group is pleased to acknowledge that it has been rated among the top 100 companies in the recent 2020 Singapore Governance and Transparency Index (“SGTI”) published on 5 August 2020. The group’s ranking, at no. 85, is an improved position from no. 123 in the previous year and is a product of the group’s continual focus on maintaining sound corporate governance and disclosure practices despite the challenges posed by COVID-19.



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

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

No dividend has been declared 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 and the reason(s) for the decision.

No dividend has been declared or recommended by the board of directors (“Directors”) of the Company in respect of 2Q2020 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 Second quarter that ended on 30 June 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