

**Mermaid Maritime Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2020  
and  
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## Independent Auditor's Report

### To the Shareholders of Mermaid Maritime Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries (the “Group”) and of Mermaid Maritime Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (“TSAs”). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

The impairment testing of property, plant and equipment, goodwill and investment in subsidiaries	
Refer to Notes 3, 7, 8, 10, and 11 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As the exploration and offshore businesses are 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 and offshore services. This is an indicator of impairment of property, plant and equipment and goodwill in the consolidated financial statements, and of investment in subsidiaries in the separate financial statements.</p> <p>To determine the recoverable amount of a vessel, management considered the higher of the vessel's value-in-use and its fair value less costs to sell.</p> <p>Management used the work of an independent valuer to evaluate the fair value less costs to sell of certain vessels.</p> <p>Management also used the discounted cash flow forecast method to estimate the value-in-use. In estimating the valuation, there are assumptions used for the estimation of future cash flows such as future profit, useful life and discounted rate to be applied for the basis of assessing the valuation which contains inherent uncertainty. Therefore, this is a key area of judgment on which my audit was focused.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• making inquiries of management and obtaining related documents to understand the process by which management has derived its value-in-use estimates;</li> <li>• comparing forecast revenues to those achieved in prior periods;</li> <li>• evaluating the discounted cash flow forecast methodology and key assumptions applies in estimating the discount rate, such as cost of debt;</li> <li>• performing sensitivity tests by carrying key assumptions;</li> <li>• assessing the competency and independence of management's fair value less costs to sell valuer; and</li> <li>• considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party	
Refer to Notes 3, 4 and 22 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Company has recognized expected credit losses (ECL) on financial instruments which involves significant judgement in estimation by the Company.</p> <p>The Company measured expected credit losses on other accounts receivables, short-term loans to related parties and long-term loan to related party are based on management's estimate of the lifetime expected credit loss, which involves significant management judgement, including the estimates of probability of default, loss given default, discount rate, and adjustments for forward looking information, and the result might have had significant impact to the separate financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls over the measurement of expected credit losses and estimation of allowance for expected credit losses;</li> <li>• performing sensitivity testing, using the Company's models, to evaluate the impact of varying key assumptions within a reasonably possible range. This enabled to critically challenge the Company's quantification of assumptions and focus my procedures to the most sensitive assumptions;</li> </ul>



Measurement of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party	
Refer to Note 3, 4 and 22 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
I identified the measurement of expected credit losses as a key audit matter because other accounts receivable, short-term loans to related parties and long-term loan to related party are material to the Company and the recognition of expected credit loss requires the exercise of significant management judgement.	<ul style="list-style-type: none"> <li>• assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable, including interdependent and internally consistent for that accounting estimate;</li> <li>• testing the calculation of expected credit losses on other accounts receivable, short-term loans to related parties and long-term loan to related party and evaluating the accuracy of their balances;</li> <li>• considering the adequacy of disclosures in accordance with Thai financial reporting standards.</li> </ul>

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.



## *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.





From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Siripen', followed by a long, horizontal, slightly wavy line.

(Siripen Sukcharoenyingyong)  
Certified Public Accountant  
Registration No. 3636

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2021

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Consolidated financial statements					
		31 December		31 December	
Assets	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
Current assets					
Cash and cash equivalents	5, 22	37,756	22,496	1,134,081	678,344
Current investments	22	9,714	12,207	291,780	368,090
Trade and other accounts receivable	4, 22	35,296	48,038	1,060,191	1,448,538
Short-term loan to related party	4	-	5,371	-	161,957
Supplies and spare parts		354	619	10,633	18,665
Total current assets		83,120	88,731	2,496,685	2,675,594
Non-current assets					
Restricted deposit at financial institutions	6	9,193	11,268	276,131	339,775
Investment in associate	7	22,407	122,360	673,041	3,689,643
Investment in joint ventures	7	1,571	1,577	47,188	47,553
Investment properties	9	492	539	14,778	16,253
Long-term loan	22	-	-	-	-
Property, plant and equipment	10	143,191	145,207	4,301,043	4,378,572
Right-of-use assets		382	-	11,474	-
Goodwill	11	-	2,066	-	62,298
Intangible assets		13	55	390	1,658
Deferred tax assets	20	54	2,139	1,622	64,499
Other non-current assets		84	106	2,523	3,196
Total non-current assets		177,387	285,317	5,328,190	8,603,447
Total assets		260,507	374,048	7,824,875	11,279,041

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Consolidated financial statements					
Liabilities and equity	Note	31 December		31 December	
		2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
Current liabilities					
Short-term borrowings from financial institutions	12	-	244	-	7,358
Trade and other accounts payable	4	22,443	28,271	674,123	852,485
Current portion of long-term borrowings	12, 22	13,544	11,953	406,822	360,431
Current portion of lease liabilities	12	206	-	6,188	-
Current income tax payable		509	692	15,289	20,867
Total current liabilities		36,702	41,160	1,102,422	1,241,141
Non-current liabilities					
Long-term borrowings	12, 22	43,869	43,846	1,317,698	1,322,132
Lease liabilities	12	222	-	6,668	-
Provisions for employee benefits	13	2,411	2,049	72,419	61,786
Total non-current liabilities		46,502	45,895	1,396,785	1,383,918
Total liabilities		83,204	87,055	2,499,207	2,625,059

The accompanying notes form an integral part of the financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Consolidated financial statements					
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
Equity					
Share capital:					
Authorized share capital					
(1,416,700,697 ordinary shares, par value at Baht 1 per share)		-	-	1,416,701	1,416,701
Issued and paid share capital					
(1,413,328,857 ordinary shares, par value at Baht 1 per share)		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	14	343,536	343,536	12,271,678	12,271,678
Deficit		(211,082)	(101,337)	(8,571,050)	(5,132,025)
Other components of equity	15	(2,196)	(2,196)	225,892	116,872
Equity attributable to owners of the parent					
		177,580	287,325	5,339,849	8,669,854
Non-controlling interests		(277)	(332)	(14,181)	(15,872)
Total equity		177,303	286,993	5,325,668	8,653,982
Total liabilities and equity					
		260,507	374,048	7,824,875	11,279,041

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

		Separate financial statements			
		31 December		31 December	
Assets	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
<b>Current assets</b>					
Cash and cash equivalents	5, 22	26,128	3,875	784,809	116,847
Other accounts receivable	4, 22	455	122,498	13,667	3,693,804
Short-term loans to related parties	4, 22	-	49,945	-	1,506,041
<b>Total current assets</b>		<b>26,583</b>	<b>176,318</b>	<b>798,476</b>	<b>5,316,692</b>
<b>Non-current assets</b>					
Investment in associate	7	22,507	22,507	676,045	678,676
Investment in joint venture	7	213	213	6,398	6,423
Investments in subsidiaries	8	55,362	156,959	1,662,914	4,732,942
Other non-current receivable to related party	4, 22	19,666	-	590,710	-
Long-term loan to related party	4, 22	36,397	-	1,093,260	-
Investment properties	9	1,654	1,826	49,681	55,061
Property, plant and equipment	10	108	115	3,245	3,468
Right-of-use assets		379	-	11,384	-
Intangible assets		5	12	150	362
Deferred tax assets	20	54	48	1,622	1,447
Other non-current assets		52	24	1,562	724
<b>Total non-current assets</b>		<b>136,397</b>	<b>181,704</b>	<b>4,096,971</b>	<b>5,479,103</b>
<b>Total assets</b>		<b>162,980</b>	<b>358,022</b>	<b>4,895,447</b>	<b>10,795,795</b>

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of financial position**

		Separate financial statements			
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
<b>Current liabilities</b>					
Other accounts payable	4	710	750	21,326	22,615
Current portion of lease liabilities	12	204	-	6,128	-
<b>Total current liabilities</b>		<b>914</b>	<b>750</b>	<b>27,454</b>	<b>22,615</b>
<b>Non-current liabilities</b>					
Lease liabilities	12	221	-	6,638	-
Provisions for employee benefits	13	274	242	8,230	7,297
<b>Total non-current liabilities</b>		<b>495</b>	<b>242</b>	<b>14,868</b>	<b>7,297</b>
<b>Total liabilities</b>		<b>1,409</b>	<b>992</b>	<b>42,322</b>	<b>29,912</b>
<b>Equity</b>					
Share capital:					
Authorized share capital					
(1,416,700,697 ordinary shares, par value at Baht 1 per share)					
		-	-	1,416,701	1,416,701
Issued and paid share capital					
(1,413,328,857 ordinary shares, par value at Baht 1 per share)					
		47,322	47,322	1,413,329	1,413,329
Share premium on ordinary shares	14	343,536	343,536	12,271,678	12,271,678
Differences arising from common control transactions	7, 15	-	(7,406)	-	(239,757)
Deficit		(229,315)	(26,450)	(8,593,947)	(2,317,057)
Other components of equity	15	28	28	(237,935)	(362,310)
<b>Total equity</b>		<b>161,571</b>	<b>357,030</b>	<b>4,853,125</b>	<b>10,765,883</b>
<b>Total liabilities and equity</b>		<b>162,980</b>	<b>358,022</b>	<b>4,895,447</b>	<b>10,795,795</b>

The accompanying notes form an integral part of the financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

Consolidated financial statements					
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
<b>Revenue</b>					
Revenue from rendering of services	4	83,779	105,933	2,616,642	3,286,044
Interest income		80	655	2,451	20,413
Net gain on foreign exchange		-	226	-	7,146
Other income	4	286	895	8,948	27,419
<b>Total revenue</b>		<b>84,145</b>	<b>107,709</b>	<b>2,628,041</b>	<b>3,341,022</b>
<b>Expenses</b>					
Costs of rendering of services	17	95,352	109,052	2,983,319	3,382,182
Administrative expenses	4, 18	24,664	23,657	770,273	732,584
Loss on disposal of investment in an associate	7	68,085	-	2,132,885	-
Net loss on foreign exchange		15	-	373	-
Finance costs		2,229	3,397	69,845	105,673
<b>Total expenses</b>		<b>190,345</b>	<b>136,106</b>	<b>5,956,695</b>	<b>4,220,439</b>
Share of profit (loss) of joint venture and associates accounted for using equity method, net of tax		(908)	4,756	(28,408)	147,742
<b>Loss before income tax expense</b>		<b>(107,108)</b>	<b>(23,641)</b>	<b>(3,357,062)</b>	<b>(731,675)</b>
Tax expense	20	2,486	575	77,267	18,046
<b>Loss for the year</b>		<b>(109,594)</b>	<b>(24,216)</b>	<b>(3,434,329)</b>	<b>(749,721)</b>
<b>Other comprehensive income (expense)</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translating financial statements		-	1	-	32
Translation adjustments		-	-	109,020	(694,635)
<b>Items that will not be reclassified to profit or loss</b>					
Loss on remeasurements of defined benefit plans	20	(96)	(2)	(3,005)	(62)
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(96)</b>	<b>(1)</b>	<b>106,015</b>	<b>(694,665)</b>
<b>Total comprehensive expense for the year</b>		<b>(109,690)</b>	<b>(24,217)</b>	<b>(3,328,314)</b>	<b>(1,444,386)</b>

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

<b>Consolidated financial statements</b>				
<i>Note</i>	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b>Profit (loss) attributable to:</b>				
Owners of parent	(109,654)	(24,258)	(3,436,176)	(751,000)
Non-controlling interests	60	42	1,847	1,279
<b>Loss for the year</b>	<b><u>(109,594)</u></b>	<b><u>(24,216)</u></b>	<b><u>(3,434,329)</u></b>	<b><u>(749,721)</u></b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of parent	(109,745)	(24,266)	(3,330,005)	(1,445,880)
Non-controlling interests	55	49	1,691	1,494
<b>Total comprehensive expense for the year</b>	<b><u>(109,690)</u></b>	<b><u>(24,217)</u></b>	<b><u>(3,328,314)</u></b>	<b><u>(1,444,386)</u></b>
<b>Basic losses per share</b>	<i>(in US Dollar)</i>		<i>(in Baht)</i>	
Basic losses per share	21			
	<u>(0.0776)</u>	<u>(0.0172)</u>	<u>(2.4313)</u>	<u>(0.5314)</u>

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		Separate financial statements			
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand US Dollar)		(in thousand Baht)	
<b>Revenue</b>					
Management fee income	4	420	534	13,166	16,579
Interest income	4	911	1,167	28,466	36,207
Net gain on foreign exchange		169	14,677	5,521	458,887
Other income	4	323	328	10,113	10,176
<b>Total revenue</b>		<b>1,823</b>	<b>16,706</b>	<b>57,266</b>	<b>521,849</b>
<b>Expenses</b>					
Administrative expenses	4, 18	125,365	6,728	3,858,414	206,695
Loss on debt forgiveness to a subsidiary	4	71,912	-	2,243,577	-
Loss on disposal of investment in an associate	7	7,406	-	232,006	-
Finance costs		11	-	343	-
<b>Total expenses</b>		<b>204,694</b>	<b>6,728</b>	<b>6,334,340</b>	<b>206,695</b>
<b>Profit (loss) before income tax expense</b>		<b>(202,871)</b>	<b>9,978</b>	<b>(6,277,074)</b>	<b>315,154</b>
Tax income	20	(6)	(29)	(184)	(878)
<b>Profit (loss) for the year</b>		<b>(202,865)</b>	<b>10,007</b>	<b>(6,276,890)</b>	<b>316,032</b>
<b>Other comprehensive income (expense)</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Translation adjustments		-	-	124,375	(810,994)
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Loss on remeasurement of defined benefit plans		-	(14)	-	(436)
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>-</b>	<b>(14)</b>	<b>124,375</b>	<b>(811,430)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(202,865)</b>	<b>9,993</b>	<b>(6,152,515)</b>	<b>(495,398)</b>
<b>Basic earnings (losses) per share</b>		(in US Dollar)		(in Baht)	
Basic earnings (losses) per share	21	(0.1435)	0.0071	(4.4412)	0.2236

The accompanying notes form an integral part of the financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Consolidated financial statements							
	Retained earnings/(Deficit)		Other components of 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	
Year ended 31 December 2019								
Balance at 1 January 2019	47,322	343,536	-	(77,070)	1,195	28	(3,420)	(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
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	147
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	147
Comprehensive income (expense) for the year								
Profit or loss	-	-	-	(24,258)	-	-	-	42 (24,216)
Gain (loss) on remeasurement of defined benefit plans	-	-	-	(9)	-	-	-	7 (2)
Exchange differences on translating financial statements	-	-	-	-	1	-	-	1 -
<i>Total comprehensive income (expense) for the year</i>	-	-	-	(24,267)	1	-	-	49 (24,217)
Balance at 31 December 2019	47,322	343,536	-	(101,337)	1,196	28	(3,420)	(332) 286,993

The accompanying notes form an integral part of the financial statements.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Consolidated financial statements										
	Retained earnings/(Deficit)				Other components of 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	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
<i>(in thousand US Dollar)</i>											
Year ended 31 December 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 income (expense) for the year											
Profit or loss	-	-	-	(109,654)	-	-	-	-	(109,654)	60	(109,594)
Loss on remeasurement of defined benefit plans	-	-	-	(91)	-	-	-	-	(91)	(5)	(96)
Total comprehensive income (expense) for the year	-	-	-	(109,745)	-	-	-	-	(109,745)	55	(109,690)
Balance at 31 December 2020	47,322	343,536	-	(211,082)	1,196	28	(3,420)	(2,196)	177,580	(277)	177,303

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Consolidated financial statements										
	Retained earnings/(Deficit)			Other components of 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	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Year ended 31 December 2019											
Balance at 1 January 2019	1,413,329	12,271,678	-	(4,380,748)	931,764	874	(121,163)	811,475	10,115,734	(21,799)	10,093,935
Transactions with owners, recorded directly in equity											
Changes in ownership interests in subsidiaries											
Disposal of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	4,433	4,433
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	4,433	4,433
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	4,433	4,433
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(751,000)	-	-	-	-	(751,000)	1,279	(749,721)
Gain (loss) on remeasurement of defined benefit plan	-	-	-	(277)	-	-	-	-	(277)	215	(62)
Exchange differences on translating financial statements	-	-	-	-	32	-	-	32	32	-	32
Translation adjustments	-	-	-	-	(694,635)	-	-	(694,635)	(694,635)	-	(694,635)
Total comprehensive income (expense) for the year	-	-	-	(751,277)	(694,603)	-	-	(694,603)	(1,445,880)	1,494	(1,444,386)
Balance at 31 December 2019	1,413,329	12,271,678	-	(5,132,025)	237,161	874	(121,163)	116,872	8,669,854	(15,872)	8,653,982

The accompanying notes form an integral part of the financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Consolidated financial statements							Non-controlling interests	Total equity		
	Retained earnings/(Deficit)		Other components of 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			Total other components of equity	Equity attributable to owners of parent
(in thousand Baht)											
Year ended 31 December 2020											
Balance at 1 January 2020	1,413,329	12,271,678	-	(5,132,025)	237,161	874	(121,163)	116,872	8,669,854	(15,872)	8,653,982
Comprehensive income (expense) for the year											
Profit or loss	-	-	-	(3,436,176)	-	-	-	-	(3,436,176)	1,847	(3,434,329)
Loss on remeasurement of defined benefit plans	-	-	-	(2,849)	-	-	-	-	(2,849)	(156)	(3,005)
Exchange differences on translating financial statements	-	-	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	109,020	-	-	109,020	109,020	-	109,020
Total comprehensive income (expense) for the year	-	-	-	(3,439,025)	109,020	-	-	109,020	(3,330,005)	1,691	(3,328,314)
Balance at 31 December 2020	1,413,329	12,271,678	-	(8,571,050)	346,181	874	(121,163)	225,892	5,339,849	(14,181)	5,325,668

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Separate financial statements					Total equity	
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings			Share-based payment
				Legal reserve	Unappropriated (Deficit)		
	(in thousand US Dollar)						
Year ended 31 December 2019							
Balance at 1 January 2019	47,322	343,536	(7,406)	-	(36,443)	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 year	-	-	-	-	9,993	9,993	
Balance at 31 December 2019	47,322	343,536	(7,406)	-	(26,450)	357,030	

The accompanying notes form an integral part of the financial statements.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements					Total equity	
		Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings/(Deficit)			Share-based payment
					Legal reserve	Deficit		
Year ended 31 December 2020								
Balance at 1 January 2020		47,322	343,536	(7,406)	-	(26,450)	28	357,030
Comprehensive expense for the year								
Loss		-	-	-	-	(202,865)	-	(202,865)
Total comprehensive expense for the year		-	-	-	-	(202,865)	-	(202,865)
Transfer to profit and loss	7	-	-	7,406	-	-	-	7,406
Balance at 31 December 2020		47,322	343,536	-	-	(229,315)	28	161,571

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Separate financial statements					Other components of equity		
	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Retained earnings/(Deficit)		Translation of financial statements	Share-based payment	Total other components of equity
				Legal reserve	Deficit <i>(in thousand Bahl)</i>			
<b>Year ended 31 December 2019</b>								
<b>Balance at 1 January 2019</b>	1,413,329	12,271,678	(239,757)	-	(2,632,653)	447,810	874	448,684
								11,261,281
<b>Comprehensive income (expense) for the year</b>								
Profit	-	-	-	-	316,032	-	-	316,032
Loss on remeasurement of defined benefit plans	-	-	-	-	(436)	-	-	(436)
Translation adjustments	-	-	-	-	-	(810,994)	-	(810,994)
<b>Total comprehensive income (expense) for the year</b>	-	-	-	-	315,596	(810,994)	-	(495,398)
<b>Balance at 31 December 2019</b>	1,413,329	12,271,678	(239,757)	-	(2,317,057)	(363,184)	874	10,765,883

The accompanying notes form an integral part of the financial statements.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Separate financial statements						
	Note	Issued and paid share capital	Share premium on ordinary shares	Differences arising from common control transactions	Other components of equity		
					Retained earnings/(Deficit)		Total other components of equity
					Legal reserve	Deficit <i>(in thousand Baht)</i>	
Year ended 31 December 2020							
Balance at 1 January 2020		1,413,329	12,271,678	(239,757)	-	(2,317,057)	(363,184)
							874
							(362,310)
							10,765,883
Comprehensive income (expense) for the year							
Loss		-	-	-	-	(6,276,890)	-
Translation adjustments		-	-	-	-	-	124,375
Total comprehensive income (expense) for the year		-	-	-	-	(6,276,890)	124,375
Transfer to profit and loss	7	-	-	239,757	-	-	-
Balance at 31 December 2020		1,413,329	12,271,678	-	-	(8,593,947)	(238,809)
							874
							(237,935)
							4,853,125

The accompanying notes form an integral part of the financial statements.



**Mermaid Maritime Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	<b>Consolidated financial statements</b>			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>				
Loss for the year	(109,594)	(24,216)	(3,434,329)	(749,721)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax expense	2,486	575	77,267	18,046
Finance costs	2,229	3,397	69,845	105,673
Depreciation	14,506	19,119	453,813	593,746
Amortisation	41	58	1,282	1,808
Unrealised gain on exchange	(463)	(121)	(14,041)	(3,935)
Loss (gain) from revaluation of trading securities	(507)	29	(16,401)	1,561
Loss from sale of trading securities	657	592	20,618	18,022
Share of (profit) loss of associates and joint ventures, net of tax	908	(4,756)	28,408	(147,742)
Impairment losses	10,006	5,078	311,579	153,763
Loss from disposal of investment in an associate	68,085	-	2,132,885	-
Reversal of losses on supplies and spare parts devaluation	-	(277)	-	(8,387)
Gains on disposals and write-offs of property, plant and equipment and intangible assets	(24)	(7)	(777)	(212)
Gain from loss of control in a subsidiary	-	(701)	-	(21,225)
Interest income	(80)	(655)	(2,451)	(20,413)
Provision for employee benefits	378	550	11,837	16,864
Loss from write-off non-refundable withholding tax	974	1,547	30,568	48,060
	<u>(10,398)</u>	<u>212</u>	<u>(329,897)</u>	<u>5,908</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Restricted deposit at financial institutions	2,075	2,809	62,327	84,703
Trade and other accounts receivable	10,196	(11,290)	306,258	(340,439)
Supplies and spare parts	265	1,042	7,960	31,420
Other non-current assets	22	(28)	661	(844)
Trade and other accounts payable	(7,566)	5,267	(227,261)	158,822
Exchange rate losses from translating financial statements	-	1	-	32
Translation adjustments	-	-	18,817	(80,140)
Net cash used in operating activities	<u>(5,406)</u>	<u>(1,987)</u>	<u>(161,135)</u>	<u>(140,538)</u>
Provision for employee benefit paid	(109)	(42)	(3,404)	(1,317)
Taxes paid	<u>(624)</u>	<u>(374)</u>	<u>(19,764)</u>	<u>(11,549)</u>
<b>Net cash used in operating activities</b>	<b><u>(6,139)</u></b>	<b><u>(2,403)</u></b>	<b><u>(184,303)</u></b>	<b><u>(153,404)</u></b>

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**
**Statement of cash flows**

	<b>Consolidated financial statements</b>			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>				
Proceed from sale of current investments	4,343	7,208	130,451	217,350
Acquisition of current investments	(2,000)	(2,000)	(60,074)	(60,308)
Increase in long-term loan to other party	(498)	-	(14,958)	-
Proceeds from sale of property, plant and equipment	36	24	1,081	724
Acquisition of property, plant and equipment	(10,660)	(1,515)	(320,195)	(45,683)
Proceeds from sale of interest in associate	31,000	-	931,150	-
Acquisition of interest in joint venture	(35)	-	(1,051)	-
Interest received	135	703	4,055	21,198
<b>Net cash from investing activities</b>	<b>22,321</b>	<b>4,420</b>	<b>670,459</b>	<b>133,281</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from short-term loans from financial institution	-	244	-	7,358
Repayment of short-term loans from financial institutions	(244)	-	(7,329)	-
Proceeds from long-term loans from financial institutions	7,960	-	239,095	-
Repayment of borrowings	(6,400)	(12,000)	(192,237)	(361,848)
Payment of lease liabilities	(99)	-	(2,974)	-
Finance costs paid	(2,179)	(3,351)	(68,284)	(104,239)
<b>Net cash used in financing activities</b>	<b>(962)</b>	<b>(15,107)</b>	<b>(31,729)</b>	<b>(458,729)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	15,220	(13,090)	454,427	(478,852)
Net cash effect from loss of control in a subsidiary	-	(1,102)	-	(33,230)
Effect of exchange rates changes on cash and cash equivalents	40	204	1,310	6,527
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15,260</b>	<b>(13,988)</b>	<b>455,737</b>	<b>(505,555)</b>
Cash and cash equivalents at 1 January	22,496	36,484	678,344	1,183,899
<b>Cash and cash equivalents at 31 December</b>	<b>37,756</b>	<b>22,496</b>	<b>1,134,081</b>	<b>678,344</b>
<b><i>Non-cash transactions</i></b>				
Receivables for sales of property, plant and equipment	26	7	781	211
Payables for purchase of property, plant and equipment	1,912	242	57,431	7,297
Lease agreements for purchase of equipment	528	-	15,860	-

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**
**Statement of cash flows**

	<b>Separate financial statements</b>			
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	(202,865)	10,007	(6,276,890)	316,032
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(6)	(29)	(184)	(878)
Depreciation	369	254	11,528	7,884
Amortization	7	9	221	282
Unrealised gain on exchange	(918)	(14,558)	(115,830)	(455,204)
Loss on disposed of investment in an associate	7,406	-	232,006	-
Loss on debt forgiveness to a subsidiary	71,912	-	2,243,577	-
Impairment losses	108,039	2,662	3,307,571	80,600
Loss from loan transfer from a subsidiary	13,373	-	427,231	-
Gains on disposal of property, plant and equipment	(26)	-	(815)	-
Interest income	(911)	(1,167)	(28,466)	(36,207)
Provision for employee benefits	32	126	1,001	3,851
Loss from write-off non-refundable withholding tax	25	-	765	-
	<u>(3,563)</u>	<u>(2,696)</u>	<u>(198,285)</u>	<u>(83,640)</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Restricted deposit at financial institution	-	4,375	-	131,924
Receivables from related parties	50,701	(957)	1,522,911	(28,857)
Other accounts receivable	57	31	1,712	934
Other non-current assets	(19,694)	(13)	(591,551)	(392)
Other accounts payable	(78)	4	(2,342)	121
Translation adjustments	-	-	90,879	(1,665)
Net cash generated from operating activities	<u>27,423</u>	<u>744</u>	<u>823,324</u>	<u>18,425</u>
Taxes paid	<u>(27)</u>	<u>(46)</u>	<u>(845)</u>	<u>(1,430)</u>
<b>Net cash from operating activities</b>	<u><b>27,396</b></u>	<u><b>698</b></u>	<u><b>822,479</b></u>	<u><b>16,995</b></u>
<b><i>Cash flows from investing activities</i></b>				
Increased in short-term loans to related party	(5,000)	-	(150,186)	-
Proceeds from repayment of short-term loans to related party	-	1,300	-	39,200
Proceeds from sale of property, plant and equipment	26	-	781	-
Acquisition of property, plant and equipment	(47)	(35)	(1,412)	(1,055)
Interest received	5	39	150	1,176
<b>Net cash from (used in) investing activities</b>	<u><b>(5,016)</b></u>	<u><b>1,304</b></u>	<u><b>(150,667)</b></u>	<u><b>39,321</b></u>
<b><i>Cash flows from financing activities</i></b>				
Payment of lease liabilities	<u>(97)</u>	<u>-</u>	<u>(2,914)</u>	<u>-</u>
<b>Net cash used in financing activities</b>	<u><b>(97)</b></u>	<u><b>-</b></u>	<u><b>(2,914)</b></u>	<u><b>-</b></u>
Net increase in cash and cash equivalents, before effect of exchange rates	22,283	2,002	668,898	56,316
Effects of exchange rate changes on cash and cash equivalents	<u>(30)</u>	<u>121</u>	<u>(936)</u>	<u>3,679</u>
<b>Net increase in cash and cash equivalents</b>	<u><b>22,253</b></u>	<u><b>2,123</b></u>	<u><b>667,962</b></u>	<u><b>59,995</b></u>
Cash and cash equivalents at 1 January	<u>3,875</u>	<u>1,752</u>	<u>116,847</u>	<u>56,852</u>
<b>Cash and cash equivalents at 31 December</b>	<u><b>26,128</b></u>	<u><b>3,875</b></u>	<u><b>784,809</b></u>	<u><b>116,847</b></u>
<b><i>Non-cash transactions</i></b>				
Lease agreements for purchase of equipment	522	-	15,679	-

The accompanying notes form an integral part of the financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Restricted deposit at financial institutions
7	Investments in associates and joint venture
8	Investments in subsidiaries
9	Investment properties
10	Property, plant and equipment
11	Goodwill
12	Interest-bearing liabilities
13	Provisions for employee benefits
14	Share premium
15	Reserves
16	Segment information and disaggregation of revenue
17	Costs of rendering of services
18	Administrative expenses
19	Employee benefit expense
20	Income tax
21	Earnings per share
22	Financial instruments
23	Capital management
24	Guarantees
25	Other events
26	Commitments with non-related parties
27	Events after the reporting period

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2021.

**1 General information**

Mermaid Maritime Public Company Limited (the “Company”) is a public company limited which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited. The Company’s registered office at 26/28-29 Orakarn Building, 9<sup>th</sup> floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand.

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

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

Details of the Company’s subsidiaries, associates, and joint venture as at 31 December 2020 and 2019 were as follows:

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2020	31 December 2019
<i>Subsidiaries</i>				
Mermaid Subsea Services (Thailand) Ltd., which has five subsidiaries and one joint venture as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Thailand	100.0	100.0
<i>Subsidiaries</i>				
Seascope Surveys Pte. Ltd.,	Subsea Service Provider, hydrographic survey and positioning to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Offshore Services Pte. Ltd.	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Singapore	100.0	100.0
Mermaid Subsea Services (Malaysia) Sdn. Bhd. <sup>(1)</sup>	”	Malaysia	45.0	45.0
Mermaid Subsea Services (UK) Ltd.	”	United Kingdom	100.0	-
Mermaid-MOE JV Co., Ltd. (formerly Mermaid-Meindo JV Co., Ltd.)	Offshore transportation, installation and decommissioning services	Thailand	100.0	-



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of the entities	Nature of business	Country of incorporation	Direct/Indirect holding (%)	
			31 December 2020	31 December 2019
<i>Joint venture</i>				
ZeaQuest Co., Ltd.	Robotics and artificial intelligence developer and commercial subsea engineering service provider	Thailand	50.00	-
Mermaid Drilling Ltd., which has three subsidiaries as follows:	Production and exploration drilling services	Thailand	95.0	95.0
MTR - 1 Ltd.	Drilling services	Thailand	95.0	95.0
MTR - 2 Ltd.	”	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd. <sup>(2)</sup>	”	Malaysia	95.0	95.0
Mermaid Maritime Mauritius Ltd., which has one subsidiary as follows:	Investment holding	Mauritius	100.0	100.0
Mermaid International Ventures, which has three subsidiaries and four associates as follows:	”	Cayman	100.0	100.0
<i>Subsidiaries</i>				
Mermaid Subsea Services (International) Ltd., which has two subsidiaries as follows:	Subsea Service Provider, diving, ROV services and subsea contractor to the Offshore Oil and Gas industry	Seychelles	100.0	100.0
Mermaid Subsea Services Saudi Arabia Co., Ltd.	”	Saudi Arabia	95.0	95.0
Mermaid Subsea Services LLC <sup>(1)</sup>	”	Qatar	49.0	49.0
<i>Associates</i>				
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Drilling services	Bermuda	-	33.76
Asia Offshore Rig 1 Limited	”	Bermuda	-	33.76
Asia Offshore Rig 2 Limited	”	Bermuda	-	33.76
Asia Offshore Rig 3 Limited	”	Bermuda	-	33.76
<i>Associates</i>				
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00
<i>Joint venture</i>				
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00

<sup>(1)</sup> Group interest is 100% after taking account of nominee holdings.

<sup>(2)</sup> Mermaid Drilling (Malaysia) Sdn. Bhd. has been registered for the liquidation.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS 16 Leases which impact on the financial statements is as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand US Dollar)</i>	
<b><i>Impact from the adoption of TFRS16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	572	397
Increase in lease liabilities	(572)	(397)
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Impact from the adoption of TFRS16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	17,249	11,995
Increase in lease liabilities	(17,249)	(11,995)

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**(b) Functional and presentation currency**

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are stated in US Dollar, which is the Company’s functional currency, and Thai Baht, which is the Company’s designated presentation currency and accordingly the Company has prepared financial statements in both US Dollar and Thai Baht. The basis of the translation from the functional currency (US Dollar) to the presentation currency (Thai Baht) is disclosed in Note 3(c).

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**(c) Use of judgements and estimates**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

3(t) and 16	Revenue recognition: estimate of expected returns;
10 and 11	Impairment test: key assumptions underlying recoverable amounts;
13	Measurement of defined benefit obligations: key actuarial assumptions;
20	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
22	Measurement of ECL allowance for trade accounts receivable and contract assets: key assumptions in determining the weighted-average loss rate; and
22	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

**3 Significant accounting policies**

The accounting policies set out below have been applied to all periods presented in these financial statements, unless stated otherwise.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

**Business combinations**

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control. The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Acquisitions from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) *Investments in subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(c) *Foreign currencies***

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

*Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of the statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**(d) Financial instruments**

*(d.1) Recognition and initial measurement*

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability unless it is a trade receivable without a significant financing component or measured at FVTPL is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs e.g. liquidity risk and administrative costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Financial assets – subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(e) Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

*Restricted deposit*

Deposit that have a restriction of use are presented separately in account "Restricted Deposit at financial institution" in the statement of financial position.

*(f) Trade and other accounts receivable and a contract asset*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

*(g) Supplies and spare parts*

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts are stated at the lower of cost and net realisable value. Bunker supplies are determined on a first-in, first-out basis. Vessel supplies and spare parts are determined on a weighted average basis. Supplies and spare parts are determined on a weighted average basis.

*(h) Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
------------------------------------	-----------------

No depreciation is provided on freehold land or assets under construction.

**(i) Property, plant and equipment**

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20 years
Offshore support vessels	5 to 30 years
Motor launches	10 years
Dry-docking	2.5 and 5 years
Tools and equipment	3 to 20 years
Office equipment	3 to 5 years
Motor vehicles	5 to 10 years

No depreciation is provided on freehold land or assets under construction.

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

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Contract cost assets**

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs. However, the incremental costs of obtaining a contract are expensed when incurred, if the expected amortisation period is one year or less.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the term of the contract it relates to, consistent with the related revenue recognition.

**(k) Intangible assets**

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	1, 3 and 5 years
-------------------	------------------

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**(l) Leases**

*Accounting policies applicable from 1 January 2020*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as revenue from rendering of services on a straight-line basis over the lease term as part of 'revenue from rendering of services'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from rendering of services. Contingent rents are recognised as revenue from rendering of services in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(m) *Impairment of financial assets***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties, debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

***Measurement of ECLs***

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2020

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 180 days past due, probable the debtor will enter bankruptcy.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**(n) *Impairment of non-financial assets***

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversal of impairment*

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(o) *Contract liabilities***

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

**(p) *Employee benefits***

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Group net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(q) Share-based payments**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(r) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### (s) *Fair value measurement*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (t) *Revenue*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Rendering of services*

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognized in profit or loss when they are incurred.

**(u) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(v) Interest**

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset when the asset is not credit-impaired or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(w) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(x) *Earnings per share***

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**(y) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**(z) *Segment reporting***

Segment results that are reported to the Group's Chief Operation Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**4 Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 7 and 8. Other related parties which the group had significant transaction during the period with were as follows;

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationship</b>
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
Thoresen & Company (Bangkok) Limited	Thailand	99.9% holding by a subsidiary of ultimate parent company
Unique Mining Services Public Company Limited	Thailand	92.9% holding by the ultimate parent company
PSM Land Company Limited	Thailand	One of the director of ultimate parent company is a major shareholder
Natural Bev Co., Ltd.	Thailand	One of the director of ultimate parent company is a major shareholder
PT Seascope Surveys Indonesia	Indonesia	A subsidiary is a major shareholder, 10% or more shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Rendering of services	Prices normally charged to a third party
Management fee	Actual cost plus margin
Interest income and interest expenses	Market linked rate / Borrowing costs of the lender
Rental income	Actual cost plus margin
Rental expense	Market price, Contractual price
Other income	Actual cost plus margin
Administrative expenses	Actual cost plus margin
Management benefit expenses	Amount approved by the directors and/or the shareholders

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2020

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
<b>Parent</b>				
Other income	7	-	216	-
Administrative expenses	67	83	2,108	2,575
<b>Associates</b>				
Other income	67	-	2,051	-
<b>Joint venture</b>				
Rendering of services	56,665	62,252	1,772,663	1,930,499
Costs of rendering of services	80	5	2,539	154
Administrative expenses	1	62	32	1,904
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	1,474	1,670	46,173	51,768
Post-employment benefits	6	25	195	777
Total key management personnel compensation	<u>1,480</u>	<u>1,695</u>	<u>46,368</u>	<u>52,545</u>
<b>Other related parties</b>				
Other income	10	-	319	-
Administrative expenses	58	64	1,814	1,987

<i>Year ended 31 December</i>	<b>Separate financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
<b>Parent</b>				
Other income	7	-	216	-
Administrative expenses	67	83	2,108	2,575
<b>Associates</b>				
Other income	24	-	735	-
<b>Subsidiaries</b>				
Management fee income	420	534	13,166	16,579
Interest income	910	1,126	28,434	34,949
Other income	265	322	8,318	9,995
Administrative expenses	11	10	343	310
Loss on debt forgiveness	71,912	-	2,201,557	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	1,474	1,670	46,173	51,768
Post-employment benefits	6	25	195	777
Total key management personnel compensation	<u>1,480</u>	<u>1,695</u>	<u>46,368</u>	<u>52,545</u>
<b>Other related parties</b>				
Other income	10	-	319	-
Other administrative expenses	58	63	1,814	1,956

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Trade accounts receivable</b>				
Joint venture	10,749	11,924	322,869	359,556
<b>Net</b>	<b>10,749</b>	<b>11,924</b>	<b>322,869</b>	<b>359,556</b>
<b>Other accounts receivables</b>				
Parent	4	-	120	-
Associates	37	12	1,112	362
Joint venture	73	-	2,193	-
Other related parties	7,542	7,543	226,540	227,451
	7,656	7,555	229,965	227,813
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(7,542)	(5,400)	(226,540)	(162,831)
<b>Net</b>	<b>114</b>	<b>2,155</b>	<b>3,425</b>	<b>64,982</b>
Expected credit losses (2019: Bad and doubtful debts expense) for the year	2,142	5,400	67,102	163,501

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Short-term loans to</b>				
Other related parties	18,350	18,350	551,181	553,326
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(18,350)	(12,979)	(551,181)	(391,369)
<b>Net</b>	<b>-</b>	<b>5,371</b>	<b>-</b>	<b>161,957</b>
Expected credit losses (2019: Bad and doubtful debts expense) for the year	5,371	12,979	168,256	392,978

Movements during the years ended 31 December of short-term loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate  31 December (% per annum)	Consolidated financial statements	
		31 December 2019	31 December 2020
		Impairment (in thousand US Dollar)	
Other related parties	1.50	5,371	-
<b>Total</b>		<b>5,371</b>	<b>-</b>



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Interest rate	Consolidated financial statements		
		31 December 2019	Impairment loss (in thousand Baht)	31 December 2020
Other related parties	31 December (% per annum)	161,957	(168,256)	-
<b>Total</b>	1.50	<b>161,957</b>		<b>-</b>

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Trade accounts payables</b>				
Other related parties	17	608	511	18,334
Joint venture	173	151	5,196	4,553
<b>Total</b>	<b>190</b>	<b>759</b>	<b>5,707</b>	<b>22,887</b>

<b>Other accounts payables</b>				
Parent	-	8	-	241
Other related parties	-	4	-	121
<b>Total</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>362</b>

	Separate financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Other accounts receivables</b>				
Parent	4	-	120	-
Subsidiaries	2,977	65,307	89,420	1,969,267
Subsidiaries - transferred investments in associates under common control	-	89,119	-	2,687,294
Associates	37	12	1,112	362
Joint Venture	30	-	901	-
	3,048	154,438	91,553	4,656,923
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(2,809)	(32,215)	(84,374)	(971,411)
<b>Net</b>	<b>239</b>	<b>122,223</b>	<b>7,179</b>	<b>3,685,512</b>
Expected credit losses (2019: Bad and doubtful debts expense) for the year	1,127	2,662	34,502	80,600

*Other accounts receivable from transferred investment in associates under common control*

On 26 September 2014, the Company agreed to transfer the investment in associates, Asia offshore Drilling Group, to a subsidiary, Mermaid International Ventures "MIV" at cost of US Dollar 97.6 million for consideration received of Baht 2,899.0 million or equivalent to US Dollar 90.2 million. During the year ended 31 December 2020, the Company received cash from an indirect subsidiary of US Dollar 17.2 million and the Company forgiveness of the remaining debt due from an indirect subsidiary. As a result, the Company accounted for a losses from debt forgiveness by US Dollar 71.9 million as other expense in separate financial statements.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Other non-current receivables</b>				
Subsidiaries	50,304	-	1,510,987	-
	50,304	-	1,510,987	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(30,638)	-	(920,277)	-
<b>Net</b>	<b>19,666</b>	<b>-</b>	<b>590,710</b>	<b>-</b>

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Loans to</b>				
Subsidiaries	67,518	75,658	2,028,044	2,281,391
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(31,121)	(25,713)	(934,784)	(775,350)
<b>Total</b>	<b>36,397</b>	<b>49,945</b>	<b>1,093,260</b>	<b>1,506,041</b>

Expected credit losses (2019: Bad and doubtful debts expense) for the year	5,315	25,713	162,717	775,350
--	-------	--------	---------	---------

Movements during the years ended 31 December of loans to related parties, excluding interest receivables from related parties, were as follows:

	Interest rate		Separate financial statements				Unrealised losses on exchange	31 December 2020
	31 December (% per annum)	31 December 2019	Increase	Decrease (in thousand US Dollar)	Impairment (in thousand US Dollar)			
Subsidiaries	1.50	49,945	5,000	(13,373)	(5,315)	140		36,397
<b>Total</b>		<b>49,945</b>						<b>36,397</b>

	Interest rate		Separate financial statements				Unrealised losses on exchange	Translation adjustment	31 December 2020
	31 December (% per annum)	31 December 2019	Increase	Decrease	Impairment (in thousand Baht)				
Subsidiaries	1.50	1,506,041	150,186	(401,686)	(162,717)	4,369	(2,933)		1,093,260
<b>Total</b>		<b>1,506,041</b>							<b>1,093,260</b>

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

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Other accounts payable</b>				
Parent	-	8	-	241
Subsidiaries	31	19	931	574
Other related parties	-	2	-	60
<b>Total</b>	<b>31</b>	<b>29</b>	<b>931</b>	<b>875</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Cash on hand	34	58	1,021	1,749
Cash at bank	37,722	22,438	1,133,060	676,595
<b>Total</b>	<b>37,756</b>	<b>22,496</b>	<b>1,134,081</b>	<b>678,344</b>

  

	<b>Separate financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Cash on hand	1	1	30	30
Cash at bank	26,127	3,874	784,779	116,817
<b>Total</b>	<b>26,128</b>	<b>3,875</b>	<b>784,809</b>	<b>116,847</b>

**6 Restricted deposit at financial institution**

*Consolidated financial statements*

As at 31 December 2020, US Dollar 8.0 million or equivalent to Baht 240.1 million (2019: US Dollar 7.6 million or equivalent to Baht 229.2 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.

As at 31 December 2020, US Dollar 1.2 million or equivalent to Baht 36.0 million (2019: US Dollar 3.7 million or equivalent to Baht 111.6 million) restricted deposit at financial institutions were deposited by subsidiaries to secure the performance guarantee from the financial institution.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**7 Investment in associates and joint venture**

Consolidated financial statements												
Associates	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income For the year	
			2020	2019 (%)	2020	2019	2020	2019	2020	2019		
(in thousand US Dollar)												
<i>Direct associate</i>												
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	22,407	22,420	-	-
<i>Indirect associates</i>												
Asia Offshore												
Drilling Limited <sup>(A)</sup>	Drilling services	Bermuda	-	33.76	-	USD 60 million	-	97,582	-	99,940	-	-
<b>Total</b>							<b>22,507</b>	<b>120,089</b>	<b>22,407</b>	<b>122,360</b>	<b>-</b>	<b>-</b>
<i>Joint ventures</i>												
<i>Direct joint venture</i>												
Zamil Mermaid	Inspection, installation, repair and maintenance services for Offshore											
Offshore Services Co. (LLC)	Oil and Gas industry	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	1,571	1,577	-	-
<i>Indirect joint venture</i>												
ZeaQuest Co., Ltd.	Robotics and artificial intelligence developer and commercial subsea engineering service provider	Thailand	50.00	-	THB 2,194 thousand	-	35	-	-	-	-	-
<b>Total</b>							<b>248</b>	<b>213</b>	<b>1,571</b>	<b>1,577</b>	<b>-</b>	<b>-</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements										
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income For the year
		2020	2019 (%)	2020	2019	2020	2019	2020	2019	
(in thousand Baht)										
Associates										
Direct associate										
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	676,045	678,676	673,041	676,053	-
Indirect associates										
Asia Offshore Drilling Limited <sup>(A)</sup>	Bermuda	-	33.76	-	USD 60 million	-	2,942,488	-	3,013,590	-
Total						676,045	3,621,164	673,041	3,689,643	-
Joint ventures										
Direct joint venture										
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,398	6,423	47,188	47,553	-
Indirect joint venture										
ZeaQuest Co., Ltd.	Thailand	50.00	-	THB 2,194 thousand	-	1,051	-	-	-	-
Total						7,449	6,423	47,188	47,553	-

(A) Asia Offshore Drilling Limited comprises three subsidiaries, which are Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Separate financial statements									
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019
		(%)						(in thousand US Dollar)	
Associate									
PTGC Co., Ltd.	Real estate	Cambodia	49.00	49.00	USD 19 million	USD 19 million	22,507	22,507	-
Total							22,507	22,507	-
Joint venture									
Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	213	213	-
Total							213	213	-

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Separate financial statements												
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost			Dividend income for the year			
		2020	2019	2020	2019	2020	2019	2020	2019			
		(%)							(in thousand Baht)			
Associate												
PTGC Co., Ltd.	Cambodia	49.00	49.00	USD 19 million	USD 19 million	676,045	678,676	-	-	-	-	-
Total						676,045	678,676	-	-	-	-	-
Joint venture												
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	40.00	SAR 2 million	SAR 2 million	6,398	6,423	-	-	-	-	-
Total						6,398	6,423	-	-	-	-	-

None of the Company's associate and joint venture are publicly listed and consequently do not have published price quotations.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### Associates

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	PTGC Co., Ltd.			
	2020	2019	2020	2019
	(in thousand US Dollar)		(in thousand Baht)	
Revenue	-	-	-	-
Loss from continuing operations	(28)	(10)	(877)	(309)
<b>Total comprehensive loss (100%)</b>	<b>(28)</b>	<b>(10)</b>	<b>(877)</b>	<b>(309)</b>
<b>Group's share of total comprehensive expense</b>	<b>(13)</b>	<b>(5)</b>	<b>(430)</b>	<b>(151)</b>
Current assets	3	1	90	30
Non-current assets	19,360	19,360	581,518	583,781
Current liabilities	(42)	-	(1,232)	-
Non-current liabilities	-	(12)	-	(362)
Net assets (100%)	19,321	19,349	580,376	583,449
Group's share of net assets (% hold)	9,468	9,481	284,384	285,890
Goodwill	12,939	12,939	388,657	390,163
<b>Carrying amount of investment in associate</b>	<b>22,407</b>	<b>22,420</b>	<b>673,041</b>	<b>676,053</b>

	Asia Offshore Drilling Limited			
	2020	2019	2020	2019
	(in thousand US Dollar)		(in thousand Baht)	
Revenue	28,119	61,177	888,327	1,899,120
Profit (loss) from continuing operations	(2,547)	15,747	(79,745)	487,879
<b>Total comprehensive (loss) income (100%)</b>	<b>(2,547)</b>	<b>15,747</b>	<b>(79,745)</b>	<b>487,879</b>
Total comprehensive (loss) income of the group interest	(860)	5,316	(26,922)	164,699
Adjust (loss) income from prior year	6	(12)	188	(379)
<b>Group's share of total comprehensive (loss) income</b>	<b>(854)</b>	<b>5,304</b>	<b>(26,734)</b>	<b>164,320</b>
Current assets	-	97,081	-	2,927,380
Non-current assets	-	409,172	-	12,338,172
Current liabilities	-	(11,946)	-	(360,220)
Non-current liabilities	-	(198,278)	-	(5,978,875)
Net assets (100%)	-	296,029	-	8,926,457
Group's share of net assets (% hold)	-	99,940	-	3,013,590
<b>Carrying amount of investment in associate</b>	<b>-</b>	<b>99,940</b>	<b>-</b>	<b>3,013,590</b>



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Disposal of investment in an associate*

On 4 April 2018, Mermaid International Ventures (“MIV”), an indirect subsidiary of the Company, entered into a Transaction Support Agreement (“TSA”) with Seadrill Limited (“Seadrill”) in which the TSA provided that, among other things, Seadrill would grant to MIV a put option (“Put Option”) in respect of MIV’s shares in Asia Offshore Drilling Limited (“AOD”).

On 11 September 2020, MIV exercised the Put Option to sell all of its 33.76% interest in AOD to Seadrill for a consideration of US Dollar 31.0 million in cash which fully received in September 2020. The Consideration had been mutually agreed between MIV and Seadrill pursuant to the terms of the TSA, taking to consideration, which two independent valuations of the three jack-up drilling rigs owned by AOD and the net book value of the other net assets of AOD.

As a result, AOD was no longer an associated company of the Group as at 31 December 2020. The Group recognized loss from disposal of interest in AOD in the consolidated statements of comprehensive income for the year ended 31 December 2020 of US Dollar 68.1 million and the Company transferred the difference arising from prior common control transaction of the Company transferring interest in AOD to MIV of US Dollar 7.4 million to profit and loss in the separate statements of comprehensive income for the year ended 31 December 2020.

The Board of Directors of the Company consider that the exercise of the Put Options is in the best interests of the Company and the shareholders and in the ordinary course of business of the Company.

*Immaterial Joint venture*

The following is summarised financial information for the Group’s interest in immaterial joint venture based on the amounts reported in the Group’s consolidated financial statements:

	<b>Immaterial Joint venture</b>			
	2020 <i>(in thousand US Dollar)</i>	2019	2020 <i>(in thousand Baht)</i>	2019
Carrying amount of interest in immaterial joint venture	1,571	1,577	47,188	47,553
Group’s share of:				
- Loss from continuing operations	(41)	(543)	(1,244)	(16,426)
- Total comprehensive expense	<u>(41)</u>	<u>(543)</u>	<u>(1,244)</u>	<u>(16,426)</u>

*New joint venture company*

ZeaQuest Company Limited (“ZeaQuest”) was incorporated on 27 October 2020 with THB 5.0 million authorized share capital which is 50% owned by Mermaid Subsea Services (Thailand) Ltd (“MSST”) and 50% owned by AI and Robotics Ventures Co., Ltd. The issued shares were 43.88% paid-up, representing Baht 1.1 million. The main business of ZeaQuest is to develop robotics and artificial intelligence (“AI”) technology to provide commercial subsea engineering services.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**8 Investments in subsidiaries**

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Direct subsidiaries</b>										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	153,485	153,485	(98,123)	-	55,362	153,485	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	14,074	14,074	(14,074)	(10,600)	-	3,474	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
<b>Total</b>			<b>167,559</b>	<b>167,559</b>	<b>(112,197)</b>	<b>(10,600)</b>	<b>55,362</b>	<b>156,959</b>	<b>-</b>	<b>-</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
					<i>(in thousand US Dollar)</i>					
<b>Indirect subsidiaries</b>										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	14,268	14,268	(14,268)	(14,268)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 550 thousand	MYR 350 thousand	139	90	-	-	139	90	-	-
Mermaid Subsea Services (UK) Ltd.	GBP 100 thousand	-	130	-	-	-	130	-	-	-
Mermaid-MOE JV Co., Ltd.	THB 250 thousand	-	8	-	-	-	8	-	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	20,400	20,400	(20,400)	(20,400)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	6,255	6,255	(6,255)	(6,255)	-	-	-	-
MTR - 2 Ltd.	THB 268 million	THB 350 million	5,661	8,334	(5,661)	(5,930)	-	2,404	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	164	164	(164)	(164)	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	-	-	-	-	-	-	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	7,586	7,586	-	-	7,586	7,586	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd.	SAR 500 thousand	SAR 500 thousand	386	386	-	-	386	386	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	55	55	-	-	55	55	-	-
<b>Total</b>			<b>55,052</b>	<b>57,538</b>	<b>(46,748)</b>	<b>(47,017)</b>	<b>8,304</b>	<b>10,521</b>	<b>-</b>	<b>-</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019 (in thousand Baht)	2020	2019	2020	2019
<b>Direct subsidiaries</b>										
Mermaid Subsea Services (Thailand) Ltd.	THB 2,130 million	THB 2,130 million	4,610,244	4,628,187	(2,947,330)	-	1,662,914	4,628,187	-	-
Mermaid Drilling Ltd.	THB 410 million	THB 410 million	422,742	424,387	(422,742)	(319,632)	-	104,755	-	-
Mermaid Maritime Mauritius Ltd.	USD 1	USD 1	-	-	-	-	-	-	-	-
<b>Total</b>			<b>5,032,986</b>	<b>5,052,574</b>	<b>(3,370,072)</b>	<b>(319,632)</b>	<b>1,662,914</b>	<b>4,732,942</b>	<b>-</b>	<b>-</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of subsidiary	Paid - up capital		Cost		Impairment		At cost – net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019 (in thousand Baht)	2020	2019	2020	2019
<b>Indirect subsidiaries</b>										
Seascope Surveys Pte. Ltd.	SGD 100	SGD 100	428,569	430,237	(428,569)	(430,237)	-	-	-	-
Mermaid Subsea Services (Malaysia) Sdn. Bhd.	MYR 550 thousand	MYR 350 thousand	4,175	2,714	-	-	4,175	2,714	-	-
Mermaid Subsea Services (UK) Ltd.	GBP 100 thousand	-	3,905	-	-	-	3,905	-	-	-
Mermaid-MOE JV Co., Ltd.	THB 250 thousand	-	240	-	-	-	240	-	-	-
Mermaid Offshore Services Pte. Ltd.	USD 20,400 thousand	USD 20,400 thousand	612,757	615,142	(612,757)	(615,142)	-	-	-	-
MTR - 1 Ltd.	THB 240 million	THB 240 million	187,882	188,613	(187,882)	(188,613)	-	-	-	-
MTR - 2 Ltd.	THB 268 million	THB 350 million	170,040	251,303	(170,040)	(178,813)	-	72,490	-	-
Mermaid Drilling (Malaysia) Sdn. Bhd.	MYR 500 thousand	MYR 500 thousand	4,926	4,945	(4,926)	(4,945)	-	-	-	-
Mermaid International Ventures	USD 100	USD 100	3	3	-	-	3	3	-	-
Mermaid Subsea Services (International) Ltd.	USD 1	USD 1	227,861	228,748	-	-	227,861	228,748	-	-
Mermaid Subsea Services Saudi Arabia Co., Ltd.	SAR 500 thousand	SAR 500 thousand	11,594	11,639	-	-	11,594	11,639	-	-
Mermaid Subsea Services LLC	QAR 200 thousand	QAR 200 thousand	1,652	1,658	-	-	1,652	1,658	-	-
<b>Total</b>			<b>1,653,604</b>	<b>1,735,002</b>	<b>(1,404,174)</b>	<b>(1,417,750)</b>	<b>249,430</b>	<b>317,252</b>	<b>-</b>	<b>-</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2020

During the year ended 31 December 2020, there were no disposal of investments in subsidiaries.

During the year 2020, the Company recognised an impairment loss of US Dollar 101.6 million on investment in subsidiaries as a result of lower recoverable amounts compared to carrying amounts.

The recoverable amounts of subsidiaries were determined based on their equity's value. The equity's value determined by adjusted enterprise value with the equity's assets and liabilities.

The enterprise's values were determined using an income approach based on cash flow projection of each subsidiary.

The key assumptions affecting cash flow projections include future utilization rates, day rates, operating cash costs, and discount factor. A terminal growth rate of 0% was applied. A WACC of 8.36% was used as the discount rate in the value in use calculations. The cost of equity component was derived using the capital asset pricing model. The cost of debt was estimated based on current debt facilities of the subsidiaries.

#### *Incorporation of a subsidiaries*

At the Board of Directors' meeting of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, held on 10 September 2020, MSST's Board of Directors approved to set up a new subsidiary, Mermaid-MOE JV Co., Ltd. ("MMJV") which is fully owned by MSST. The main business of this subsidiary is to provide subsea and related services. MMJV was incorporated on 10 September 2020 with Baht 1.0 million authorised share capital. As at 31 December 2020, the issued shares were 25% paid-up, representing Baht 0.3 million.

At the Board of Directors' meeting of Mermaid Subsea Service (Thailand) Ltd. ("MSST"), a direct subsidiary, held on 31 January 2020, MSST's Board of Directors approved to set up a new foreign subsidiary, Mermaid Subsea Services (UK) Limited ("MSS UK"), which is fully owned by MSST. The main business of this subsidiary is to provide subsea and related services. MSS UK was incorporated on 7 February 2020 with GBP 0.1 million authorised share capital.

#### *Change the name of a subsidiary*

On 9 October 2020, Mermaid-Meindo JV Co., Ltd. registered with the Ministry of Commerce to change the Company's name from "Mermaid-Meindo JV Co., Ltd" to "Mermaid-MOE JV Co., Ltd".

#### *Increase in share capital of a subsidiary*

On 7 February 2020, the shareholders of Mermaid Subsea Services (Malaysia) Ltd. ("MSSM") approved the increase in share capital of MSSM by MYR 0.2 million, from MYR 0.4 million to MYR 0.6 million. The addition shares were authorised and issued on 7 February 2020.

#### *Decrease in share capital of a subsidiary*

At the Extraordinary General Meeting of MTR-2 Ltd. ("MTR-2"), an indirect subsidiary, held on 26 October 2020, the shareholders approved to decrease share capital of MTR-2 by Baht 82.3 million, from Baht 350.0 million to Baht 267.7 million. The decrease shares were registered on 1 December 2020.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Loss of control in a subsidiary*

As at 31 December 2019, the Group remains engaged in a number of legal proceedings regarding the ownership of share capital and management of the affairs of PT Seascope Surveys Indonesia ("PTSSI"). The outcome of these disputes remain uncertain and the process likely to be protracted. In the course of the disputes, the Group assesses that there is a loss of control over PTSSI at this time and to deconsolidate PTSSI from the consolidated financial statements. The Group recognises an investment in PTSSI as an other long-term investment under other non-current assets measured at fair value, other accounts receivable due from PTSSI, short-term loan to related party and trade accounts payable due to PTSSI in the consolidated statement of financial position as at 31 December 2019. As a result, the Group recognises gain from loss of control in a subsidiary in the consolidated statement of comprehensive income for the year ended 31 December 2019 in amount of US Dollar 0.7 million or equivalent to Baht 21.2 million.

**9 Investments properties**

	<b>Consolidated financial statements</b>		
	Land	Buildings	Total
	<i>(in thousand US Dollar)</i>		
<b>Cost</b>			
At 1 January 2019	248	1,271	1,519
At 31 December 2019 and at 1 January 2020	248	1,271	1,519
At 31 December 2020	248	1,271	1,519
<b>Depreciation</b>			
At 1 January 2019	-	931	931
Depreciation charge for the year	-	49	49
At 31 December 2019 and at 1 January 2020	-	980	980
Depreciation charge for the year	-	47	47
At 31 December 2020	-	1,027	1,027
<b>Net book value</b>			
At 31 December 2019	248	291	539
At 31 December 2020	248	244	492

  

	<b>Consolidated financial statements</b>		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
<b>Cost</b>			
At 1 January 2019	8,047	41,244	49,291
Translation adjustments	(569)	(2,918)	(3,487)
At 31 December 2019 and at 1 January 2020	7,478	38,326	45,804
Translation adjustments	(29)	(149)	(178)
At 31 December 2020	7,449	38,177	45,626
<b>Depreciation</b>			
At 1 January 2019	-	30,211	30,211
Depreciation charge for the year	-	1,521	1,521
Translation adjustments	-	(2,181)	(2,181)
At 31 December 2019 and at 1 January 2020	-	29,551	29,551
Depreciation charge for the year	-	1,468	1,468
Translation adjustments	-	(171)	(171)
At 31 December 2020	-	30,848	30,848
<b>Net book value</b>			
At 31 December 2019	7,478	8,775	16,253
At 31 December 2020	7,449	7,329	14,778

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

		Separate financial statements		
	Land	Buildings	Buildings improvement	Total
		(in thousand US Dollar)		
<b>Cost</b>				
At 1 January 2019	838	4,390	160	5,388
At 31 December 2019 and at 1 January 2020	838	4,390	160	5,388
At 31 December 2020	838	4,390	160	5,388
<b>Depreciation</b>				
At 1 January 2019	-	3,232	143	3,375
Depreciation charge for the year	-	175	12	187
At 31 December 2019 and at 1 January 2020	-	3,407	155	3,562
Depreciation charge for the year	-	169	3	172
At 31 December 2020	-	3,576	158	3,734
<b>Net book value</b>				
At 31 December 2019	838	983	5	1,826
At 31 December 2020	838	814	2	1,654

		Separate financial statements		
	Land	Buildings	Buildings improvement	Total
		(in thousand Baht)		
<b>Cost</b>				
At 1 January 2019	27,193	142,455	5,192	174,840
Translation adjustments	(1,924)	(10,079)	(367)	(12,370)
At 31 December 2019 and at 1 January 2020	25,269	132,376	4,825	162,470
Translation adjustments	(98)	(513)	(19)	(630)
At 31 December 2020	25,171	131,863	4,806	161,840
<b>Depreciation</b>				
At 1 January 2019	-	104,878	4,640	109,518
Depreciation charge for the year	-	5,433	372	5,805
Translation adjustments	-	(7,576)	(338)	(7,914)
At 31 December 2019 and at 1 January 2020	-	102,735	4,674	107,409
Depreciation charge for the year	-	5,292	94	5,386
Translation adjustments	-	(614)	(22)	(636)
At 31 December 2020	-	107,413	4,746	112,159
<b>Net book value</b>				
At 31 December 2019	25,269	29,641	151	55,061
At 31 December 2020	25,171	24,450	60	49,681



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

<i>Year ended 31 December</i>	<b>Separate financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
<i>Amounts recognised in profit or loss</i>				
Rental income	140	244	4,394	7,578

Fair value of investment properties were appraised based on valuation report by an independent professional valuer, at open market values on an existing use basis. The appraised value of investment properties was US Dollar 2.2 million or equivalent to Baht 67.0 million (2019: US Dollar 2.3 million or equivalent to Baht 67.8 million) and US Dollar 6.1 million or equivalent to Baht 183.6 million (2019: US Dollar 6.2 million or equivalent to Baht 186.9 million) in the consolidated and separate financial statements, respectively. The fair value of investment property has been categorised as a Level 3 fair value.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**10 Property, plant and equipment**

**Consolidated financial statements**

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<i>Cost</i>											
At 1 January 2019	590	3,240	1,991	87,051	3,691	1,780	296,911	27,311	3,093	1,927	427,585
Additions	-	-	-	266	188	38	2	770	79	141	1,484
Transfers	-	-	-	-	-	-	-	565	-	(565)	-
Disposals	-	-	-	(1,296)	(57)	(25)	-	-	-	-	(1,378)
Effect from loss of control in a subsidiary	-	-	(444)	(6,172)	(527)	(440)	(1,045)	(930)	-	-	(9,558)
Write off	-	-	-	-	-	-	-	(12)	-	(52)	(64)
<b>At 31 December 2019</b>											
and 1 January 2020	590	3,240	1,547	79,849	3,295	1,353	295,868	27,704	3,172	1,451	418,069
Additions	-	-	41	497	57	-	-	11,735	-	-	12,330
Transfers	-	-	-	39	-	-	-	102	-	(141)	-
Disposals	-	-	-	(573)	(519)	(95)	-	-	-	-	(1,187)
Write off	-	-	-	-	(104)	-	-	(10,377)	-	-	(10,481)
<b>At 31 December 2020</b>	<b>590</b>	<b>3,240</b>	<b>1,588</b>	<b>79,812</b>	<b>2,729</b>	<b>1,258</b>	<b>295,868</b>	<b>29,164</b>	<b>3,172</b>	<b>1,310</b>	<b>418,731</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Consolidated financial statements**

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<b>Depreciation</b>											
At 1 January 2019	-	(2,381)	(1,450)	(60,897)	(3,207)	(1,257)	(119,569)	(18,770)	(1,354)	-	(208,885)
Depreciation charge for the year	-	(133)	(301)	(4,969)	(238)	(203)	(7,807)	(5,258)	(161)	-	(19,070)
Disposals	-	-	-	1,296	57	25	-	-	-	-	1,378
Effect from loss of control in a subsidiary	-	-	247	4,298	425	283	323	875	-	-	6,451
Write off	-	-	-	-	-	-	-	12	-	-	12
<b>At 31 December 2019 and 1 January 2020</b>	-	<b>(2,514)</b>	<b>(1,504)</b>	<b>(60,272)</b>	<b>(2,963)</b>	<b>(1,152)</b>	<b>(127,053)</b>	<b>(23,141)</b>	<b>(1,515)</b>	-	<b>(220,114)</b>
Depreciation charge for the year	-	(129)	(25)	(3,384)	(193)	(99)	(7,278)	(3,060)	(145)	-	(14,313)
Disposals	-	-	-	578	514	95	-	-	-	-	1,187
Write off	-	-	-	-	71	-	-	10,377	-	-	10,448
<b>At 31 December 2020</b>	-	<b>(2,643)</b>	<b>(1,529)</b>	<b>(63,078)</b>	<b>(2,571)</b>	<b>(1,156)</b>	<b>(134,331)</b>	<b>(15,824)</b>	<b>(1,660)</b>	-	<b>(222,792)</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Consolidated financial statements**

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<i>(in thousand US Dollar)</i>											
<b>Impairment losses</b>											
At 1 January 2019	-	-	-	(5,452)	-	-	(40,464)	(1,841)	-	(1,514)	(49,271)
Impairment losses	-	-	-	(628)	-	-	(4,429)	-	-	-	(5,057)
Effect from loss of control in a subsidiary	-	-	-	663	-	-	657	56	-	204	1,580
<b>At 31 December 2019</b>											
and 1 January 2020	-	-	-	(5,417)	-	-	(44,236)	(1,785)	-	(1,310)	(52,748)
<b>At 31 December 2020</b>	-	-	-	(5,417)	-	-	(44,236)	(1,785)	-	(1,310)	(52,748)
<b>Net book value</b>											
At 31 December 2019	590	726	43	14,160	332	201	124,579	2,778	1,657	141	145,207
<b>At 31 December 2020</b>	590	597	59	11,317	158	102	117,301	11,555	1,512	-	143,191

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements											
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<b>Cost</b>											
At 1 January 2019	19,145	105,137	64,608	2,824,788	119,772	57,761	9,634,703	886,236	100,367	62,531	13,875,048
Additions	-	-	-	8,021	5,669	1,146	60	23,219	2,382	4,252	44,749
Transfers	-	-	-	-	-	-	-	17,037	-	(17,037)	-
Disposals	-	-	-	(39,080)	(1,719)	(754)	-	-	-	-	(41,553)
Effect from loss of control in a subsidiary	-	-	(13,388)	(186,110)	(15,891)	(13,268)	(31,511)	(28,043)	-	-	(288,211)
Write off	-	-	-	-	-	-	-	(362)	-	(1,568)	(1,930)
Translation adjustments	(1,354)	(7,438)	(4,571)	(199,852)	(8,474)	(4,087)	(681,648)	(62,701)	(7,101)	(4,425)	(981,651)
<b>At 31 December 2019</b>	<b>17,791</b>	<b>97,699</b>	<b>46,649</b>	<b>2,407,767</b>	<b>99,357</b>	<b>40,798</b>	<b>8,921,604</b>	<b>835,386</b>	<b>95,648</b>	<b>43,753</b>	<b>12,606,452</b>
At 1 January 2020	-	-	1,232	14,928	1,712	-	-	352,485	-	-	370,357
Additions	-	-	-	1,171	-	-	-	3,064	-	(4,235)	-
Transfers	-	-	-	(17,211)	(15,589)	(2,854)	-	-	-	-	(35,654)
Disposals	-	-	-	-	(3,124)	-	-	(311,695)	-	-	(314,819)
Write off	-	-	-	-	(385)	(157)	-	(3,238)	-	-	(48,870)
Translation adjustments	(69)	(379)	(182)	(9,334)	(81,971)	(37,787)	(34,587)	(3,238)	(370)	(169)	(48,870)
<b>At 31 December 2020</b>	<b>17,722</b>	<b>97,320</b>	<b>47,699</b>	<b>2,397,321</b>	<b>81,971</b>	<b>37,787</b>	<b>8,887,017</b>	<b>876,002</b>	<b>95,278</b>	<b>39,349</b>	<b>12,577,466</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements											
	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<b>Depreciation</b>											
At 1 January 2019	-	(77,263)	(47,052)	(1,976,095)	(104,067)	(40,789)	(3,879,990)	(609,083)	(43,937)	-	(6,778,276)
Depreciation charge for the year	-	(4,128)	(9,371)	(154,330)	(7,398)	(6,357)	(242,349)	(163,290)	(5,002)	-	(592,225)
Disposals	-	-	-	39,080	1,719	754	-	-	-	-	41,553
Effect from loss of control in a subsidiary	-	-	7,448	129,602	12,815	8,534	9,740	26,385	-	-	194,524
Write off	-	-	-	-	-	-	-	362	-	-	362
Translation adjustments	-	5,584	3,623	144,301	7,585	3,121	281,443	47,832	3,256	-	496,745
<b>At 31 December 2019</b>											
<b>and 1 January 2020</b>	-	(75,807)	(45,352)	(1,817,442)	(89,346)	(34,737)	(3,831,156)	(697,794)	(45,683)	-	(6,637,317)
Depreciation charge for the year	-	(4,038)	(783)	(105,831)	(6,047)	(3,098)	(227,892)	(96,573)	(4,542)	-	(447,804)
Disposals	-	-	-	17,361	15,439	2,854	-	-	-	-	35,654
Write off	-	-	-	-	2,133	-	-	311,695	-	-	313,828
Translation adjustments	-	457	208	11,232	596	258	24,134	6,365	363	-	43,613
<b>At 31 December 2020</b>	-	(79,388)	(45,927)	(1,894,680)	(77,225)	(34,723)	(4,034,914)	(475,307)	(49,862)	-	(6,692,026)

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 31 December 2020

### Consolidated financial statements

	Land	Buildings	Building improve- ment	Tools and equipment	Office equipment	Motor vehicles (in thousand Baht)	Offshore support vessels	Dry- docking	Motor launches	Construction in progress	Total
<b><i>Impairment losses</i></b>											
At 1 January 2019	-	-	-	(176,917)	-	-	(1,313,049)	(59,740)	-	(49,129)	(1,598,835)
Impairment losses	-	-	-	(19,015)	-	-	(134,101)	-	-	-	(153,116)
Effect from loss of control in a subsidiary	-	-	-	19,992	-	-	19,811	1,689	-	6,151	47,643
Translation adjustments	-	-	-	12,596	-	-	93,447	4,226	-	3,476	113,745
<b>At 31 December 2019</b>											
and 1 January 2020	-	-	-	(163,344)	-	-	(1,333,892)	(53,825)	-	(39,502)	(1,590,563)
Translation adjustments	-	-	-	633	-	-	5,171	209	-	153	6,166
<b>At 31 December 2020</b>											
	-	-	-	(162,711)	-	-	(1,328,721)	(53,616)	-	(39,349)	(1,584,397)
<b><i>Net book value</i></b>											
At 31 December 2019	17,791	21,892	1,297	426,981	10,011	6,061	3,756,556	83,767	49,965	4,251	4,378,572
At 31 December 2020	17,722	17,932	1,772	339,930	4,746	3,064	3,523,382	347,079	45,416	-	4,301,043

### Security

As at 31 December 2020, the Group's property, plant and equipment with a net book value of US Dollar 110.9 million (2019: US Dollar 110.0 million) were registered to secure short-term and long-term facilities with financial institutions.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Separate financial statements**

	Buildings	Building improvement	Tools and equipment (in thousand US Dollar)	Office equipment	Motor vehicles	Total
<b>Cost</b>						
At 1 January 2019	120	447	77	1,857	39	2,540
Additions	-	-	-	14	22	36
At 31 December 2019 and 1 January 2020	120	447	77	1,871	61	2,576
Additions	-	41	-	6	-	47
Disposals	-	-	-	(470)	(32)	(502)
At 31 December 2020	120	488	77	1,407	29	2,121
<b>Depreciation</b>						
At 1 January 2019	(81)	(443)	(73)	(1,758)	(39)	(2,394)
Depreciation charge for the year	(6)	-	(3)	(56)	(2)	(67)
At 31 December 2019 and 1 January 2020	(87)	(443)	(76)	(1,814)	(41)	(2,461)
Depreciation charge for the year	(6)	(1)	(1)	(41)	(5)	(54)
Disposals	-	-	-	470	32	502
At 31 December 2020	(93)	(444)	(77)	(1,385)	(14)	(2,013)
<b>Net book value</b>						
At 31 December 2019	33	4	1	57	20	115
At 31 December 2020	27	44	-	22	15	108



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Separate financial statements						
	Buildings	Building improvement	Tools and equipment	Office equipment	Motor vehicles	Total
	<i>(in thousand Baht)</i>					
<b>Cost</b>						
At 1 January 2019	3,894	14,505	2,499	60,259	1,266	82,423
Additions	-	-	-	422	663	1,085
Translation adjustments	(276)	(1,026)	(176)	(4,263)	(90)	(5,831)
<b>At 31 December 2019 and 1 January 2020</b>	<b>3,618</b>	<b>13,479</b>	<b>2,323</b>	<b>56,418</b>	<b>1,839</b>	<b>77,677</b>
Additions	-	1,232	-	180	-	1,412
Disposals	-	-	-	(14,117)	(961)	(15,078)
Translation adjustments	(14)	(53)	(10)	(219)	(7)	(303)
<b>At 31 December 2020</b>	<b>3,604</b>	<b>14,658</b>	<b>2,313</b>	<b>42,262</b>	<b>871</b>	<b>63,708</b>
<b>Depreciation</b>						
At 1 January 2019	(2,628)	(14,375)	(2,369)	(57,047)	(1,266)	(77,685)
Depreciation charge for the year	(186)	-	(94)	(1,738)	(61)	(2,079)
Translation adjustments	191	1,017	170	4,086	91	5,555
<b>At 31 December 2019 and 1 January 2020</b>	<b>(2,623)</b>	<b>(13,358)</b>	<b>(2,293)</b>	<b>(54,699)</b>	<b>(1,236)</b>	<b>(74,209)</b>
Depreciation charge for the year	(189)	(31)	(31)	(1,290)	(155)	(1,696)
Disposals	-	-	-	14,708	1,001	15,709
Translation adjustments	19	53	12	(320)	(31)	(267)
<b>At 31 December 2020</b>	<b>(2,793)</b>	<b>(13,336)</b>	<b>(2,312)</b>	<b>(41,601)</b>	<b>(421)</b>	<b>(60,463)</b>
<b>Net book value</b>						
At 31 December 2019	995	121	30	1,719	603	3,468
At 31 December 2020	811	1,322	1	661	450	3,245

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### 11 Goodwill

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Cost</b>				
At 1 January	10,136	10,136	305,641	328,911
Translation adjustments	-	-	(1,185)	(23,270)
<b>At 31 December</b>	<b>10,136</b>	<b>10,136</b>	<b>304,456</b>	<b>305,641</b>
<b>Impairment loss</b>				
At 1 January	(8,070)	(8,070)	(243,343)	(261,870)
Impairment loss	(2,066)	-	(63,250)	-
Translation adjustments	-	-	2,137	18,527
<b>At 31 December</b>	<b>(10,136)</b>	<b>(8,070)</b>	<b>(304,456)</b>	<b>(243,343)</b>
<b>Net book value</b>				
At 1 January	<b>2,066</b>	<b>2,066</b>	<b>62,298</b>	<b>67,041</b>
<b>At 31 December</b>	<b>-</b>	<b>2,066</b>	<b>-</b>	<b>62,298</b>

The continuing drop in oil prices during the year 2015 impacted the Group's overall business as it led to reduced activity and contracts for subsea and offshore drilling services. Additionally, with more offshore rigs and subsea vessels in the market coming off contract and new builds yet to be delivered, the vessel supply and demand imbalance will continue to have a negative impact on utilisation and day rates. These have been important factors indicating that the Group's assets may be impaired.

Goodwill and impairment loss on goodwill was allocated to the following cash-generating units ("CGU"):

#### Seascope CGU

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Cost</b>				
At 1 January	8,070	8,070	243,343	261,870
Translation adjustments	-	-	(944)	(18,527)
<b>At 31 December</b>	<b>8,070</b>	<b>8,070</b>	<b>242,399</b>	<b>243,343</b>
<b>Impairment loss</b>				
At 1 January	(8,070)	(8,070)	(243,343)	(261,870)
Translation adjustments	-	-	944	18,527
<b>At 31 December</b>	<b>(8,070)</b>	<b>(8,070)</b>	<b>(242,399)</b>	<b>(243,343)</b>
<b>Net book value</b>				
At 1 January	-	-	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The recoverable amount of Seascope CGU estimated using the value in use method was less than the total carrying amount of Seascope CGU and the goodwill allocated to it. As a result, goodwill allocated to Seascope CGU was fully impaired as at 31 December 2015.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Mermaid Subsea Services (International) ("MSSI") CGU*

	<b>Consolidated financial statements</b>			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Cost</b>				
At 1 January	2,066	2,066	62,298	67,041
Translation adjustments	-	-	(241)	(4,743)
<b>At 31 December</b>	<b>2,066</b>	<b>2,066</b>	<b>62,057</b>	<b>62,298</b>
<b>Impairment loss</b>				
At 1 January	-	-	-	-
Impairment loss	(2,066)	-	(63,250)	-
Translation adjustments	-	-	1,193	-
<b>At 31 December</b>	<b>(2,066)</b>	<b>-</b>	<b>(62,057)</b>	<b>-</b>
<b>Net book value</b>				
At 1 January	<b>2,066</b>	<b>2,066</b>	<b>62,298</b>	<b>67,041</b>
At 31 December	<b>-</b>	<b>2,066</b>	<b>-</b>	<b>62,298</b>

The recoverable amount of MSSI CGU estimated using the value in use method was less than the total carrying amount of MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to MSSI CGU was fully impaired as at 31 December 2020. The cash flows were projected over a period of 5 years before a terminal growth rate was applied to reflect management's estimate of the cyclic nature of day rates earned by MSSI CGU. The key assumptions used in the estimation of MSSI CGU's value in use were as follow;

<b>Key assumptions</b>	<b>Value</b>
Discount rate	8.36 %
Terminal value growth rate	0 %

## **12 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		
	Secured	Unsecured (in thousand US Dollar)	Total
Current portion of long-term borrowings from financial institutions	13,544	-	13,544
Current portion of lease liabilities	40	166	206
Long-term borrowings from financial institutions	43,869	-	43,869
Lease liabilities (2019: Finance lease liabilities)	11	211	222
<b>Total interest-bearing liabilities</b>	<b>57,464</b>	<b>377</b>	<b>57,841</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### Consolidated financial statements

	2020		
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Current portion of long-term borrowings from financial institutions	406,822	-	406,822
Current portion of lease liabilities	1,202	4,986	6,188
Long-term borrowings from financial institutions	1,317,698	-	1,317,698
Lease liabilities <i>(2019: Finance lease liabilities)</i>	330	6,338	6,668
<b>Total interest-bearing liabilities</b>	<b>1,726,052</b>	<b>11,324</b>	<b>1,737,376</b>

### Consolidated financial statements

	2019		
	Secured	Unsecured	Total
	<i>(in thousand US Dollar)</i>		
Short-term borrowings from financial institutions	-	244	244
Current portion of long-term borrowings from financial institutions	11,953	-	11,953
Long-term borrowings from financial institutions	43,846	-	43,846
<b>Total interest-bearing liabilities</b>	<b>55,799</b>	<b>244</b>	<b>56,043</b>

### Consolidated financial statements

	2019		
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Short-term borrowings from financial institutions	-	7,358	7,358
Current portion of long-term borrowings from financial institutions	360,431	-	360,431
Long-term borrowings from financial institutions	1,322,132	-	1,322,132
<b>Total interest-bearing liabilities</b>	<b>1,682,563</b>	<b>7,358</b>	<b>1,689,921</b>

### Separate financial statements

	2020		
	Secured	Unsecured	Total
	<i>(in thousand US Dollar)</i>		
Current portion of lease liabilities	40	164	204
Lease liabilities <i>(2019: Finance lease liabilities)</i>	11	210	221
<b>Total interest-bearing liabilities</b>	<b>51</b>	<b>374</b>	<b>425</b>

### Separate financial statements

	2020		
	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>		
Current portion of lease liabilities	1,202	4,926	6,128
Lease liabilities <i>(2019: Finance lease liabilities)</i>	330	6,308	6,638
<b>Total interest-bearing liabilities</b>	<b>1,532</b>	<b>11,234</b>	<b>12,766</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

The Group's long-term borrowings from financial institutions bear effective interest rates of 2.89% and 2.99% per annum (2019: 4.61% per annum).

As at 31 December 2020, the Group and the Company had unutilised credit facilities totalling US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively (2019: US Dollar 5.1 million or equivalent to Baht 155.0 million and US Dollar 0.3 million or equivalent to Baht 10.0 million, respectively).

The movement of long-term borrowings from financial institutions were summarised as follows:

	<b>Consolidated financial statements</b>			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
At 1 January	55,799	67,725	1,682,563	2,197,662
Addition	7,960	-	239,095	-
Repayments during year	(6,400)	(12,000)	(192,237)	(361,848)
Amortisation to profit and loss (front end fee)	54	74	1,692	2,312
Translation adjustments	-	-	(6,593)	(155,563)
<b>At 31 December</b>	<b>57,413</b>	<b>55,799</b>	<b>1,724,520</b>	<b>1,682,563</b>

The currency denomination of interest-bearing liabilities, excluding finance lease liabilities as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
Currencies:				
US Dollar	57,413	56,043	1,724,520	1,689,921
<b>Total</b>	<b>57,413</b>	<b>56,043</b>	<b>1,724,520</b>	<b>1,689,921</b>

Long-term borrowings for the purchase of support vessels were granted by commercial banks and were denominated in US Dollar, having a total outstanding balance of US Dollar 57.4 million as at 31 December 2020 (2019: US Dollar 55.8 million) with repayment terms until 2025. These borrowings bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of support vessels as mentioned in Note 10 and are guaranteed by the Company.

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

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### 13 Provisions for employee benefits

<b>Consolidated financial statements</b>				
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	2,322	1,961	69,746	59,132
Other long-term employee benefits	89	88	2,673	2,654
<b>Total</b>	<b>2,411</b>	<b>2,049</b>	<b>72,419</b>	<b>61,786</b>
<b>Separate financial statements</b>				
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Post-employment benefits	255	223	7,659	6,724
Other long-term employee benefits	19	19	571	573
<b>Total</b>	<b>274</b>	<b>242</b>	<b>8,230</b>	<b>7,297</b>
<b>Consolidated financial statements</b>				
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
At 1 January	2,049	2,504	61,786	81,254
<b>Include in profit or loss:</b>				
Current service costs	403	562	12,594	17,309
Interest on obligation	19	18	595	554
Past service costs	-	69	-	2,099
Curtailment gain	(44)	(99)	(1,419)	(3,119)
	<b>378</b>	<b>550</b>	<b>11,770</b>	<b>16,843</b>
<b>Include in other comprehensive income:</b>				
Actuarial (gains) losses				
- Demographic assumptions	-	1	-	30
- Financial assumptions	(40)	33	(1,253)	992
- Experience adjustment	133	(8)	4,166	(242)
<b>Others:</b>				
Benefits paid	(109)	(42)	(3,337)	(1,328)
Disposal from deconsolidation of a subsidiary	-	(989)	-	(29,945)
Translation adjustments	-	-	(713)	(5,818)
	<b>(16)</b>	<b>(1,005)</b>	<b>(1,137)</b>	<b>(36,311)</b>
<b>At 31 December</b>	<b>2,411</b>	<b>2,049</b>	<b>72,419</b>	<b>61,786</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
At 1 January	242	105	7,297	3,407
<b>Include in profit or loss:</b>				
Current service costs	25	42	784	1,289
Interest on obligation	7	6	219	185
Past service cost	-	77	-	2,322
	<b>32</b>	<b>125</b>	<b>1,003</b>	<b>3,796</b>
<b>Include in other comprehensive income:</b>				
Actuarial losses				
- Demographic assumptions	-	4	-	121
- Financial assumptions	-	5	-	164
- Experience adjustment	-	3	-	91
<b>Others:</b>				
Translation adjustments	-	-	(70)	(282)
	<b>-</b>	<b>12</b>	<b>(70)</b>	<b>94</b>
<b>At 31 December</b>	<b>274</b>	<b>242</b>	<b>8,230</b>	<b>7,297</b>

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2.55 – 3.20	2.55 – 3.90	2.55 – 3.02	2.55 – 3.02
Future salary growth	2.50 – 5.00	2.50 – 5.00	5.00	5.00
Employee turnover	5.00 – 34.38	5.00 – 34.38	5.00 – 34.38	5.00 – 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables.

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Consolidated financial statements</b>			
	2020 Increase in assumption	2019 Decrease in assumption	2020 Decrease in assumption	2019 Decrease in assumption
<b>Post-employment benefits</b>	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(148)	(150)	171	116
Future salary growth (1%)	182	121	(159)	(156)
Employee turnover (20%)	(82)	(105)	105	133
Future mortality (20%)	(8)	(10)	8	10
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(5)	(5)	6	6
Employee turnover (20%)	(9)	(12)	12	15
<i>Effect to the defined benefit obligation At 31 December</i>	<b>Consolidated financial statements</b>			
	2020 Increase in assumption	2019 Decrease in assumption	2020 Decrease in assumption	2019 Decrease in assumption
<b>Post-employment benefits</b>	<i>(in thousand Baht)</i>			
Discount rate (1%)	(4,445)	(4,523)	5,136	3,498
Future salary growth (1%)	5,467	3,649	(4,776)	(4,704)
Employee turnover (20%)	(2,463)	(3,166)	3,154	4,010
Future mortality (20%)	(240)	(302)	240	302
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(150)	(151)	180	181
Employee turnover (20%)	(270)	(362)	360	452
<i>Effect to the defined benefit obligation At 31 December</i>	<b>Separate financial statements</b>			
	2020 Increase in assumption	2019 Decrease in assumption	2020 Decrease in assumption	2019 Decrease in assumption
<b>Post-employment benefits</b>	<i>(in thousand US Dollar)</i>			
Discount rate (1%)	(25)	(24)	29	28
Future salary growth (1%)	33	28	(29)	(28)
Employee turnover (20%)	(41)	(36)	52	46
Future mortality (20%)	(4)	(3)	4	3
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(1)	(1)	1	1
Employee turnover (20%)	(3)	(3)	4	3
<i>Effect to the defined benefit obligation At 31 December</i>	<b>Separate financial statements</b>			
	2020 Increase in assumption	2019 Decrease in assumption	2020 Decrease in assumption	2019 Decrease in assumption
<b>Post-employment benefits</b>	<i>(in thousand Baht)</i>			
Discount rate (1%)	(751)	(724)	871	844
Future salary growth (1%)	991	844	(871)	(844)
Employee turnover (20%)	(1,232)	(1,086)	1,562	1,387
Future mortality (20%)	(120)	(90)	120	90
<b>Other long-term employee benefits</b>				
Discount rate (1%)	(30)	(30)	30	30
Employee turnover (20%)	(90)	(90)	120	90

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**14 Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**15 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Difference arising from common control transactions**

The differences arising from common control transactions represent the excess of the book values of certain entities or businesses under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

*Other components of equity*

**Currency translation differences**

The currency translation differences account within equity related to foreign currency differences arising from the translation of the financial statements of foreign operations to US Dollar and Thai Baht.

**Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.

**16 Segment information and disaggregation of revenue**

The Group has two reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different services and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

**Business segments**

The Group comprises the following main business segments:

Segment 1	Subsea group
Segment 2	Holding

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Revenue, results and timing of revenue recognition, based on business segments, in the consolidated financial statements for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements For the year ended 31 December 2020			
	Subsea group	Holding	Total (in thousand US Dollar)	Elimination
<b>Disaggregation of revenue</b>				
<b>Primary geographical markets</b>				
Saudi Arabia	63,627	-	63,627	(7)
Qatar	19,940	-	19,940	-
Myanmar	212	-	212	-
Thailand	7	-	7	-
<b>Total revenue</b>	<b>83,786</b>	<b>-</b>	<b>83,786</b>	<b>(7)</b>
<b>Major products/service lines</b>				
Providing services	83,786	-	83,786	(7)
<b>Total revenue</b>	<b>83,786</b>	<b>-</b>	<b>83,786</b>	<b>(7)</b>
<b>Timing of revenue recognition</b>				
Over time	83,786	-	83,786	(7)
<b>Total revenue</b>	<b>83,786</b>	<b>-</b>	<b>83,786</b>	<b>(7)</b>
<b>Information about reportable segment</b>				
Revenue from rendering of services	83,786	-	83,786	(7)
Operating profit (loss)	(32,437)	(124,835)	(157,272)	121,386
Loss on disposal of investment in an associate	-	(68,085)	(68,085)	-
Share of loss of associates and joint venture	(41)	(867)	(908)	-
Finance costs	(2,257)	(11)	(2,268)	39
Tax (expense) income	(2,492)	6	(2,486)	-
<b>Profit (loss) for the year</b>	<b>(37,227)</b>	<b>(193,792)</b>	<b>(231,019)</b>	<b>121,425</b>
				<b>(109,594)</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements For the year ended 31 December 2020					
Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group	
Total assets	209,193	134,120	343,313	(82,806)	260,507
Total liabilities	218,026	1,820	219,846	(136,642)	83,204
Capital expenditure	12,282	47	12,329	-	12,329
Depreciation	14,139	367	14,506	-	14,506
Amortisation	34	7	41	-	41
Gain (loss) on disposal property, plant and equipment	(10)	26	16	6	22
Impairment losses	10,006	-	10,006	-	10,006

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### Consolidated financial statements For the year ended 31 December 2019

	Subsea group	Holding	Total (in thousand US Dollar)	Elimination	Group
<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
<b>Total revenue</b>	<b>105,945</b>	<b>-</b>	<b>105,945</b>	<b>(12)</b>	<b>105,933</b>
<i>Major products/service lines</i>					
Providing services	105,945	-	105,945	(12)	105,933
<b>Total revenue</b>	<b>105,945</b>	<b>-</b>	<b>105,945</b>	<b>(12)</b>	<b>105,933</b>
<i>Timing of revenue recognition</i>					
Over time	105,945	-	105,945	(12)	105,933
<b>Total revenue</b>	<b>105,945</b>	<b>-</b>	<b>105,945</b>	<b>(12)</b>	<b>105,933</b>
<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)
<b>Profit (loss) for the year</b>	<b>(34,584)</b>	<b>7,708</b>	<b>(26,876)</b>	<b>2,660</b>	<b>(24,216)</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements For the year ended 31 December 2019					
Subsea group	Holding	Total <i>(in thousand US Dollar)</i>	Elimination	Group	
Total assets	253,824	406,169	659,993	(285,945)	374,048
Total liabilities	226,985	14,727	241,712	(154,657)	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	5,057	-	5,057	-	5,057
Gain from loss of control in a subsidiary	-	701	701	-	701

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements For the year ended 31 December 2020					
	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	1,990,890	-	1,990,890	(219)	1,990,671
Qatar	619,130	-	619,130	-	619,130
Myanmar	6,633	-	6,633	-	6,633
Thailand	208	-	208	-	208
Total revenue	2,616,861	-	2,616,861	(219)	2,616,642
Major products/service lines					
Providing services	2,616,861	-	2,616,861	(219)	2,616,642
Total revenue	2,616,861	-	2,616,861	(219)	2,616,642
Timing of revenue recognition					
Over time	2,616,861	-	2,616,861	(219)	2,616,642
Total revenue	2,616,861	-	2,616,861	(219)	2,616,642
<i>Information about reportable segment</i>					
Revenue from rendering of services	2,616,861	-	2,616,861	(219)	2,616,642
Operating profit (loss)	(1,018,538)	(3,841,410)	(4,859,948)	3,734,024	(1,125,924)
Loss on disposal of investment in an associate	-	(2,132,885)	(2,132,885)	-	(2,132,885)
Share of loss of associates and joint venture	(1,245)	(27,163)	(28,408)	-	(28,408)
Finance costs	(70,687)	(343)	(71,030)	1,185	(69,845)
Tax (expense) income	(77,451)	184	(77,267)	-	(77,267)
Profit (loss) for the year	(1,167,921)	(6,001,617)	(7,169,538)	3,735,209	(3,434,329)

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements For the year ended 31 December 2020					
	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Total assets	6,283,551	4,028,576	10,312,127	(2,487,252)	7,824,875
Total liabilities	6,548,868	54,668	6,603,536	(4,104,329)	2,499,207
Capital expenditure	368,915	1,412	370,327	-	370,327
Depreciation	442,348	11,465	453,813	-	453,813
Amortisation	1,063	219	1,282	-	1,282
Gain (loss) on disposal property, plant and equipment	(291)	815	524	192	716
Impairment losses	311,579	-	311,579	-	311,579

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### Consolidated financial statements For the year ended 31 December 2019

	Subsea group	Holding	Total (in thousand Baht)	Elimination	Group
<i>Disaggregation of revenue</i>					
Primary geographical markets					
Saudi Arabia	2,117,277	-	2,117,277	(375)	2,116,902
Qatar	1,056,812	-	1,056,812	-	1,056,812
Thailand	112,330	-	112,330	-	112,330
<b>Total revenue</b>	<b>3,286,419</b>	<b>-</b>	<b>3,286,419</b>	<b>(375)</b>	<b>3,286,044</b>
<i>Major products/service lines</i>					
Providing services	3,286,419	-	3,286,419	(375)	3,286,044
<b>Total revenue</b>	<b>3,286,419</b>	<b>-</b>	<b>3,286,419</b>	<b>(375)</b>	<b>3,286,044</b>
<i>Timing of revenue recognition</i>					
Over time	3,286,419	-	3,286,419	(375)	3,286,044
<b>Total revenue</b>	<b>3,286,419</b>	<b>-</b>	<b>3,286,419</b>	<b>(375)</b>	<b>3,286,044</b>
<i>Information about reportable segment</i>					
Revenue from rendering of services	3,286,419	-	3,286,419	(375)	3,286,044
Operating profit (loss)	(923,683)	77,074	(846,609)	72,865	(773,744)
Share of profit (loss) of associates and joint venture	(16,426)	164,168	147,742	-	147,742
Finance costs	(113,344)	-	(113,344)	7,671	(105,673)
Tax (expense) income	(18,924)	878	(18,046)	-	(18,046)
<b>Profit (loss) for the year</b>	<b>(1,072,377)</b>	<b>242,120</b>	<b>(830,257)</b>	<b>80,536</b>	<b>(749,721)</b>



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Consolidated financial statements For the year ended 31 December 2019					
	Subsea group	Holding	Total <i>(in thousand Baht)</i>	Elimination	Group
Total assets	7,653,807	12,247,620	19,901,427	(8,622,386)	11,279,041
Total liabilities	6,844,509	444,077	7,288,586	(4,663,527)	2,625,059
Capital expenditure	43,694	1,055	44,749	-	44,749
Depreciation	585,736	8,010	593,746	-	593,746
Amortisation	1,528	280	1,808	-	1,808
Gain on disposal property, plant and equipment	212	-	212	-	212
Impairment losses	153,116	-	153,116	-	153,116
Gain from loss of control in a subsidiary	-	21,225	21,225	-	21,225

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

***Geographical information***

Segments Subsea and Holding are managed on a worldwide basis but mainly operate and provide services in Thailand, Qatar, Myanmar and Saudi Arabia.

In presenting information on the basis of geographical segments, assets are based on the geographical location of the assets.

	<b>Assets</b>			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Thailand	196,707	182,581	5,908,508	5,505,547
Saudi Arabia	50,234	58,668	1,508,884	1,769,074
Qatar	12,214	22,387	366,873	675,058
Singapore	652	7,619	19,584	229,743
United Arab Emirates	435	2,512	13,066	75,746
Cayman	6	99,995	180	3,015,249
Other countries	259	286	7,780	8,624
<b>Total</b>	<b>260,507</b>	<b>374,048</b>	<b>7,824,875</b>	<b>11,279,041</b>

***Major customers***

Revenues from the major customers of the Group's Segments Subsea represents approximately US Dollar 79.0 million (2019: US Dollar 97.5 million) of the Group's total revenues.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**17 Cost of rendering of services**

	<b>Consolidated financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Crew, staff and subcontractor costs	44,982	48,975	1,405,386	1,518,733
Vessel expenses and repair and maintenance expenses	21,530	27,325	673,474	848,106
Depreciation	13,866	18,192	433,806	564,876
Charter hire and equipment rental	9,161	5,591	288,470	173,884
Recharge expenses related to services provided	3,138	4,925	98,667	151,367
Mobilisation/demobilisation expense	2,675	4,037	83,516	124,995
Amortisation	-	7	-	221
<b>Total</b>	<b>95,352</b>	<b>109,052</b>	<b>2,983,319</b>	<b>3,382,182</b>

**18 Administrative expenses**

	<b>Consolidated financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Impairment losses	10,006	5,078	311,582	153,763
Employee benefit expense	8,845	9,747	277,054	302,433
Professional fees	1,809	2,294	56,451	71,261
Withholding tax not recoverable	1,006	1,656	31,586	51,451
Depreciation	640	927	20,007	28,870
Travelling expenses	501	795	15,640	24,701
Office and office equipment rental	255	410	7,976	12,738
Bank charge	205	498	6,414	15,411
Amortisation	41	51	1,282	1,587
Insurance and port expenses	-	14	-	436
Others	1,356	2,187	42,281	69,933
<b>Total</b>	<b>24,664</b>	<b>23,657</b>	<b>770,273</b>	<b>732,584</b>

	<b>Separate financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
Impairment losses	108,039	2,662	3,307,571	80,600
Loss from loan transfer from a subsidiary	13,373	-	427,231	-
Employee benefit expense	2,211	2,639	69,169	81,798
Professional fees	933	528	29,163	16,394
Depreciation	369	254	11,528	7,884
Travelling expenses	53	91	1,660	2,812
Others	387	554	12,092	17,207
<b>Total</b>	<b>125,365</b>	<b>6,728</b>	<b>3,858,414</b>	<b>206,695</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### 19 Employee benefit expense

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Crew expenses and subcontractor	44,982	48,975	1,405,386	1,518,733
Wages and salaries	5,654	6,674	176,867	207,173
Staff welfare	1,981	1,537	62,331	47,742
Contribution to defined contribution plans and social security and expenses related to define benefit plans	767	1,050	23,987	32,429
Bonus	182	198	5,703	6,131
Others	261	288	8,166	8,958
<b>Total</b>	<b>53,827</b>	<b>58,722</b>	<b>1,682,440</b>	<b>1,821,166</b>

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Wages and salaries	1,561	1,855	48,816	57,562
Staff welfare	233	318	7,307	9,870
Contribution to defined contribution plans and social security and expenses related to define benefit plans	138	253	4,316	7,795
Bonus	130	56	4,066	1,698
Others	149	157	4,664	4,873
<b>Total</b>	<b>2,211</b>	<b>2,639</b>	<b>69,169</b>	<b>81,798</b>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate 7% of their basic salaries and by the Group at rate 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

### 20 Income tax

#### Income tax recognized in profit or loss

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
<b>Current tax expense</b>				
Current taxes	390	627	12,026	19,618
Adjustment for prior year	14	9	438	275
	<b>404</b>	<b>636</b>	<b>12,464</b>	<b>19,893</b>
<b>Deferred tax expense (benefit)</b>				
Deferred taxes	2,082	(61)	64,803	(1,847)
<b>Total</b>	<b>2,486</b>	<b>575</b>	<b>77,267</b>	<b>18,046</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Deferred tax benefit</b>				
Deferred taxes	(6)	(29)	(184)	(878)
<b>Total</b>	<b>(6)</b>	<b>(29)</b>	<b>(184)</b>	<b>(878)</b>

### Income tax recognized in other comprehensive income

	Consolidated financial statements					
	Before tax (Note 13)	2020 Tax (expense) benefit	Net of tax (in thousand US Dollar)	Before tax (Note 13)	2019 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains (losses)	(93)	(3)	(96)	(26)	24	(2)
<b>Total</b>	<b>(93)</b>	<b>(3)</b>	<b>(96)</b>	<b>(26)</b>	<b>24</b>	<b>(2)</b>

	Consolidated financial statements					
	Before tax (Note 13)	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax (Note 13)	2019 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains (losses)	(2,913)	(92)	(3,005)	(780)	718	(62)
<b>Total</b>	<b>(2,913)</b>	<b>(92)</b>	<b>(3,005)</b>	<b>(780)</b>	<b>718</b>	<b>(62)</b>

	Separate financial statements					
	Before tax (Note 13)	2020 Tax (expense) benefit	Net of tax (in thousand US Dollar)	Before tax (Note 13)	2019 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains (losses)	-	-	-	(12)	(2)	(14)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(2)</b>	<b>(14)</b>

	Separate financial statements					
	Before tax (Note 13)	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax (Note 13)	2019 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains (losses)	-	-	-	(376)	(60)	(436)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(376)</b>	<b>(60)</b>	<b>(436)</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### Reconciliation of effective tax rate

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

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
Loss before income tax – accounting	<u>(107,108)</u>	<u>(23,641)</u>	<u>(3,357,062)</u>	<u>(731,675)</u>
Tax at the domestic rate of 20%	(21,422)	(4,728)	(671,412)	(146,335)
Adjustments:				
Effect of difference tax rate in foreign jurisdictions	(20,875)	1,510	(653,254)	46,882
Income not subject to tax and additional taxable expenses	(2,570)	(649)	(80,425)	(20,150)
Expenses not deductible for tax purposes	42,824	4,401	1,340,630	136,381
Utilisation of previously unrecognised tax losses	(87)	-	(2,723)	-
Tax losses and temporary differences for which no deferred income tax were recognised	4,624	1,871	144,702	58,090
Adjustments in respect of prior year	14	9	438	275
Remeasurement of (gain) loss on exchange rate of US Dollar financial statement	63	(1,527)	1,971	(47,410)
Remeasurement of gain on exchange rate of Thai Baht financial statement	<u>(85)</u>	<u>(312)</u>	<u>(2,660)</u>	<u>(9,687)</u>
Total income tax expense	<u>2,486</u>	<u>575</u>	<u>77,267</u>	<u>18,046</u>
The average effective tax rate	2%	2%	2%	2%

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	<b>Separate financial statements</b>			
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>		<i>(in thousand Baht)</i>	
Profit (loss) before income tax – accounting	<u>(202,871)</u>	<u>9,978</u>	<u>(6,277,074)</u>	<u>315,154</u>
Tax at the domestic rate of 20%	(40,574)	1,996	(1,255,415)	63,031
Adjustments:				
Expenses not deductible for tax purposes	40,136	522	1,241,712	15,170
Tax losses for which no deferred income tax assets were recognised	590	783	18,463	24,310
Remeasurement of gain on exchange rate of US Dollar financial statement	(34)	(2,935)	(1,064)	(91,125)
Remeasurement of gain on exchange rate of Thai Baht financial statement	<u>(124)</u>	<u>(395)</u>	<u>(3,880)</u>	<u>(12,264)</u>
Total income tax expense (benefit)	<u>(6)</u>	<u>(29)</u>	<u>(184)</u>	<u>(878)</u>
The average effective tax rate	0%	0%	0%	0%

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

Deferred tax assets as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
Total	<u>54</u>	<u>2,139</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u><b>54</b></u>	<u><b>2,139</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	<u>1,622</u>	<u>64,499</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u><b>1,622</b></u>	<u><b>64,499</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
Total	<u>54</u>	<u>48</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	<u><b>54</b></u>	<u><b>48</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,622	1,447	-	-
Net deferred tax assets	<u>1,622</u>	<u>1,447</u>	<u>-</u>	<u>-</u>

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	(Charged) / Credited to :			
	At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020
	<i>(in thousand US Dollar)</i>			
<b>Deferred tax assets</b>				
Property, plant and equipment	153	(153)	-	-
Provisions	345	(345)	-	-
Retirement benefits obligation	147	(90)	(3)	54
Loss carry forward	1,494	(1,494)	-	-
<b>Total</b>	<u>2,139</u>	<u>(2,082)</u>	<u>(3)</u>	<u>54</u>

	Consolidated financial statements				
	(Charged) / Credited to :				
	At 1 January 2020	Profit or loss	Other comprehensive income	Translation adjustments	At 31 December 2020
	<i>(in thousand Baht)</i>				
<b>Deferred tax assets</b>					
Property, plant and equipment	4,614	(4,684)	-	70	-
Provisions	10,403	(10,562)	-	159	-
Retirement benefits obligation	4,433	(2,755)	(92)	36	1,622
Loss carry forward	45,049	(46,802)	-	1,753	-
<b>Total</b>	<u>64,499</u>	<u>(64,803)</u>	<u>(92)</u>	<u>2,018</u>	<u>1,622</u>

	Consolidated financial statements				
	(Charged) / Credited to :				
	At 1 January 2019	Profit or loss	Other comprehensive income	Disposal from deconsolidation of a subsidiary	At 31 December 2019
	<i>(in thousand US Dollar)</i>				
<b>Deferred tax assets</b>					
Property, plant and equipment	173	-	-	(20)	153
Provisions	345	-	-	-	345
Retirement benefits obligation	269	61	24	(207)	147
Loss carry forward	1,494	-	-	-	1,494
<b>Total</b>	<u>2,281</u>	<u>61</u>	<u>24</u>	<u>(227)</u>	<u>2,139</u>



# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements						
(Charged) / Credited to :						
	At 1 January 2019	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Disposal from deconsolidation of a subsidiary	Translation adjustments	At 31 December 2019
<i>Deferred tax assets</i>						
Property, plant and equipment	5,614	-	-	(606)	(394)	4,614
Provisions	11,195	-	-	-	(792)	10,403
Retirement benefits obligation	8,729	1,847	718	(6,267)	(594)	4,433
Loss carry forward	48,480	-	-	-	(3,431)	45,049
<b>Total</b>	<b>74,018</b>	<b>1,847</b>	<b>718</b>	<b>(6,873)</b>	<b>(5,211)</b>	<b>64,499</b>

Separate financial statements				
(Charged) / Credited to :				
	At 1 January 2020	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income	At 31 December 2020
<i>Deferred tax assets</i>				
Retirement benefits obligation	48	6	-	54
<b>Total</b>	<b>48</b>	<b>6</b>	<b>-</b>	<b>54</b>

Separate financial statements				
(Charged) / Credited to :				
	At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020
<i>Deferred tax assets</i>				
Retirement benefits obligation	1,447	184	-	1,622
<b>Total</b>	<b>1,447</b>	<b>184</b>	<b>-</b>	<b>1,622</b>

Separate financial statements				
(Charged) / Credited to :				
	At 1 January 2019	Profit or loss <i>(in thousand US Dollar)</i>	Other comprehensive income	At 31 December 2019
<i>Deferred tax assets</i>				
Retirement benefits obligation	21	29	(2)	48
<b>Total</b>	<b>21</b>	<b>29</b>	<b>(2)</b>	<b>48</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements (Charged) / Credited to :				
	At 1 January 2019	Profit or loss	Other comprehensive income (in thousand Baht)	Translation adjustments	At 31 December 2019
<i>Deferred tax assets</i>					
Retirement benefits obligation	681	878	(60)	(52)	1,447
<b>Total</b>	<b>681</b>	<b>878</b>	<b>(60)</b>	<b>(52)</b>	<b>1,447</b>

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Tax losses	21,815	16,155	682,670	489,141
Impairment losses on property, plant and equipment and related supplies and spare parts	7,840	10,051	245,342	304,324
Allowance for expected credit loss	6,293	3,179	196,931	96,254
Impairment losses on goodwill	2,027	1,614	63,432	48,869
Retirement benefits obligation	347	-	10,859	-
<b>Total</b>	<b>38,322</b>	<b>30,999</b>	<b>1,199,234</b>	<b>938,588</b>

	Separate financial statements			
	2020 (in thousand US Dollar)	2019	2020 (in thousand Baht)	2019
Impairment losses on investments in subsidiaries	22,439	2,120	702,197	64,189
Allowance for expected credit loss	12,914	11,585	404,126	350,771
Tax losses	3,021	2,406	94,538	72,849
<b>Total</b>	<b>38,374</b>	<b>16,111</b>	<b>1,200,861</b>	<b>487,809</b>

The majority tax losses will expire from 2021-2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### 21 Earnings (losses) per share

#### *Basic earnings (losses) per share*

The calculations of basic earnings (losses) per share for the year ended 31 December 2020 and 2019 were based on the profit 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			
	2020 (in thousand US Dollar/ thousand shares)	2019 (in thousand US Dollar/ thousand shares)	2020 (in thousand Baht/ thousand shares)	2019 (in thousand Baht/ thousand shares)
Loss attributable to ordinary shareholders of the Company (basic)	<u>(109,654)</u>	<u>(24,258)</u>	<u>(3,436,176)</u>	<u>(751,000)</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>
	(in US dollar)		(in Baht)	
Losses per share (basic)	<u>(0.0776)</u>	<u>(0.0172)</u>	<u>(2.4313)</u>	<u>(0.5314)</u>
	Separate financial statements			
	2020 (in thousand US Dollar/ thousand shares)	2019 (in thousand US Dollar/ thousand shares)	2020 (in thousand Baht/ thousand shares)	2019 (in thousand Baht/ thousand shares)
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(202,865)</u>	<u>10,007</u>	<u>(6,276,890)</u>	<u>316,032</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>
	(in US dollar)		(in Baht)	
Earnings (losses) per share (basic)	<u>(0.1435)</u>	<u>0.0071</u>	<u>(4.4412)</u>	<u>0.2236</u>

### 22 Financial instruments

#### (a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements					Fair value	
	(in thousand US Dollar)						
	Carrying amount	Fair value			Total		
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2020</i>							
<i>Financial assets</i>							
Equity securities held for trading	9,714	-	9,714	-	9,714	-	9,714
Total other financial assets	<u>9,714</u>	<u>-</u>	<u>9,714</u>				
<i>Financial liabilities</i>							
Long-term borrowings	-	57,413	57,413	-	60,744	-	60,744
Total Other financial liabilities	<u>-</u>	<u>57,413</u>	<u>57,413</u>				
<i>At 31 December 2019</i>							
<i>Financial assets</i>							
Equity securities held for trading	8,207	-	8,207	-	8,207	-	8,207
Other debt securities held to maturity	-	4,000	4,000	-	4,011	-	4,011
Total other financial assets	<u>8,207</u>	<u>4,000</u>	<u>12,207</u>				
<i>Financial liabilities</i>							
Long-term borrowings	-	55,799	55,799	-	57,826	-	57,826
Total Other financial liabilities	<u>-</u>	<u>55,799</u>	<u>55,799</u>				

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements					Fair value
	Carrying amount		Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	
<b>At 31 December 2020</b>						
<b>Financial assets</b>						
Equity securities held for trading	291,780	-	291,780	-	291,780	-
<b>Total other financial assets</b>	<b>291,780</b>	<b>-</b>	<b>291,780</b>			
<b>291,780</b>						
<b>Financial liabilities</b>						
Long-term borrowings	-	1,724,520	1,724,520	-	1,824,574	-
<b>Total Other financial liabilities</b>	<b>-</b>	<b>1,724,520</b>	<b>1,724,520</b>			
<b>1,824,574</b>						
<b>At 31 December 2019</b>						
<b>Financial assets</b>						
Equity securities held for trading	247,474	-	247,474	-	247,474	-
Other debt securities held to maturity	-	120,616	120,616	-	120,948	-
<b>Total other financial assets</b>	<b>247,474</b>	<b>120,616</b>	<b>368,090</b>			
<b>247,474</b>						
<b>Financial liabilities</b>						
Long-term borrowings	-	1,682,563	1,682,563	-	1,743,806	-
<b>Total Other financial liabilities</b>	<b>-</b>	<b>1,682,563</b>	<b>1,682,563</b>			
<b>1,743,806</b>						

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

### *Financial instruments measured at fair value*

Type	Technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.

### *Financial instruments not measured at fair value*

Type	Valuation technique
Debt securities and other financial liabilities	Discounted cash flows.

### (b) *Movement of marketable equity and debt securities*

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Equity securities held for trading</b>				
At 1 January	8,207	6,236	247,474	202,357
Purchase	2,000	1,000	60,074	30,154
Disposal	(2,000)	(3,500)	(60,074)	(105,539)
Transfer	1,000	4,500	30,037	135,693
Fair value adjustment	507	(29)	16,401	(1,561)
Translation Adjustment	-	-	(2,132)	(13,630)
<b>At 31 December</b>	<b>9,714</b>	<b>8,207</b>	<b>291,780</b>	<b>247,474</b>

	Consolidated financial statements			
	2020 (in thousand US Dollar)	2019 (in thousand US Dollar)	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Other debt securities held to maturity</b>				
At 1 January	4,000	11,800	120,616	382,908
Purchase	-	1,000	-	30,154
Disposal	(3,000)	(4,300)	(90,111)	(129,662)
Transfer	(1,000)	(4,500)	(30,037)	(135,693)
Fair value adjustment	-	-	-	-
Translation adjustment	-	-	(468)	(27,091)
<b>At 31 December</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>120,616</b>

### (c) *Financial risk management policies*

#### *Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**For the year ended 31 December 2020**

(c.1) *Credit risk*

(c.1.1) Trade accounts receivables and contract assets

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements				Allowance for expected credit loss
	Trade accounts receivables	Contract assets	Retention Receivables	Total carrying amounts	
<i>At 31 December 2020</i>					
		<i>(in thousand US Dollar)</i>			
Within credit terms	13,903	1,596	7,028	22,527	-
Overdue:					
Less than 3 months	5,818	-	-	5,818	(19)
3-6 months	984	-	-	984	(101)
6-12 months	1,020	-	-	1,020	(75)
Over 12 months	3,149	-	-	3,149	(3,149)
<b>Total</b>	<b>24,874</b>	<b>1,596</b>	<b>7,028</b>	<b>33,498</b>	<b>(3,344)</b>
Less allowance for expected credit loss	(3,344)	-	-	(3,344)	
<b>Net</b>	<b>21,530</b>	<b>1,596</b>	<b>7,028</b>	<b>30,154</b>	

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

<i>At 31 December 2020</i>	Consolidated financial statements				Allowance for expected credit loss
	Trade accounts receivables	Contract assets	Retention Receivables (in thousand Baht)	Total carrying amounts	
Within credit terms	417,605	47,939	211,101	676,645	-
Overdue:					
Less than 3 months	174,756	-	-	174,756	(571)
3-6 months	29,557	-	-	29,557	(3,034)
6-12 months	30,638	-	-	30,638	(2,252)
Over 12 months	94,587	-	-	94,587	(94,587)
<b>Total</b>	<b>747,143</b>	<b>47,939</b>	<b>211,101</b>	<b>1,005,885</b>	<b>(100,444)</b>
Less allowance for expected credit loss	(100,444)	-	-	(100,444)	
<b>Net</b>	<b>646,699</b>	<b>47,939</b>	<b>211,101</b>	<b>905,739</b>	

<i>At 31 December 2019</i>	Consolidated financial statements				Allowance for expected credit loss
	Trade accounts receivables	Contract assets	Retention Receivables (in thousand US Dollar)	Total carrying amounts	
Within credit terms	9,432	5,849	7,479	22,760	-
Overdue:					
Less than 3 months	11,318	-	-	11,318	(126)
3-6 months	4,604	-	-	4,604	(325)
6-12 months	69	-	-	69	(69)
Over 12 months	7,706	-	-	7,706	(3,700)
<b>Total</b>	<b>33,129</b>	<b>5,849</b>	<b>7,479</b>	<b>46,457</b>	<b>(4,220)</b>
Less allowance for expected credit loss	(4,220)	-	-	(4,220)	
<b>Net</b>	<b>28,909</b>	<b>5,849</b>	<b>7,479</b>	<b>42,237</b>	

<i>At 31 December 2019</i>	Consolidated financial statements				Allowance for expected credit loss
	Trade accounts receivables	Contract assets	Retention Receivables (in thousand Baht)	Total carrying amounts	
Within credit terms	284,412	176,371	225,522	686,305	-
Overdue:					
Less than 3 months	341,283	-	-	341,283	(3,799)
3-6 months	138,829	-	-	138,829	(9,800)
6-12 months	2,081	-	-	2,081	(2,081)
Over 12 months	232,367	-	-	232,367	(111,570)
<b>Total</b>	<b>998,972</b>	<b>176,371</b>	<b>225,522</b>	<b>1,400,865</b>	<b>(127,250)</b>
Less allowance for expected credit loss	(127,250)	-	-	(127,250)	
<b>Net</b>	<b>871,722</b>	<b>176,371</b>	<b>225,522</b>	<b>1,273,615</b>	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The normal credit term granted by the Group ranges from 30 days to 90 days.



**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Movement of allowance for expected credit loss of trade accounts receivables and contract assets</i>	<b>Consolidated financial statements</b>			
	2020 <i>(in thousand US Dollar)</i>	2019 <i>(in thousand US Dollar)</i>	2020 <i>(in thousand Baht)</i>	2019 <i>(in thousand Baht)</i>
At 1 January	4,220	2,818	127,250	91,444
Addition	272	1,484	8,404	48,121
Reversal	(343)	-	(10,678)	-
Write-off	(805)	(82)	(25,186)	(2,661)
Translation adjustment	-	-	654	(9,654)
<b>At 31 December</b>	<b>3,344</b>	<b>4,220</b>	<b>100,444</b>	<b>127,250</b>

- (c.1.2) Other accounts receivable, short-term loans to related parties, long-term loans and other non-current receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each related party. However, management also considers the factors that may influence the credit risk, including the default risk associated with the industry and country in which they operate. The Group's policy is to provide other accounts receivable and short-term loans only if the related party was judged by management to have low credit risk at initial recognition. Impairment on other accounts receivable and short-term loans have been measured on the 12-month expected loss basis or the lifetime expected loss basis if the Group becomes aware of a significant increase in the related party's credit risk at the reporting date.

The following table presents the exposure to credit risk for other accounts receivable, short-term loans, long-term loans and other non-current receivable at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

	<b>Consolidated financial statements</b>			
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	Total
<b>At 31 December 2020</b>				
Other accounts receivable	5,032	110	7,542	12,684
Short-term loans to related party	-	-	18,350	18,350
Long-term loans	-	-	498	498
	<b>5,032</b>	<b>110</b>	<b>26,390</b>	<b>31,532</b>
Less allowance for expected credit loss	-	-	(26,390)	(26,390)
<b>Net</b>	<b>5,032</b>	<b>110</b>	<b>-</b>	<b>5,142</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements			
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	Total
<b>At 31 December 2019</b>				
Other accounts receivable	3,646	12	7,543	11,201
Short-term loans	-	-	18,350	18,350
	<b>3,646</b>	<b>12</b>	<b>25,893</b>	<b>29,551</b>
Less allowance for expected credit loss	-	-	(18,379)	(18,379)
<b>Net</b>	<b>3,646</b>	<b>12</b>	<b>7,514</b>	<b>11,172</b>

	Consolidated financial statements			
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit- impaired	Total
<b>At 31 December 2020</b>				
Other accounts receivable	151,147	3,305	226,540	380,992
Short-term loans	-	-	551,181	551,181
Long-term loans	-	-	14,958	14,958
	<b>151,147</b>	<b>3,305</b>	<b>792,679</b>	<b>947,131</b>
Less allowance for expected credit loss	-	-	(792,679)	(792,679)
<b>Net</b>	<b>151,147</b>	<b>3,305</b>	<b>-</b>	<b>154,452</b>

<b>At 31 December 2019</b>				
Other accounts receivable	109,941	362	227,451	337,754
Short-term loans	-	-	553,326	553,326
	<b>109,941</b>	<b>362</b>	<b>780,777</b>	<b>891,080</b>
Less allowance for expected credit loss	-	-	(554,200)	(554,200)
<b>Net</b>	<b>109,941</b>	<b>362</b>	<b>226,577</b>	<b>336,880</b>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Movement of allowance for expected credit loss</i>	<b>Consolidated financial statements</b>			Total
	Other account receivable	Short-term loans (in thousand Dollar)	Long-term loans	
<i>Lifetime ECL credit impaired</i>				
At 1 January 2019	-	-	-	-
Net remeasurement of loss allowance	5,400	12,979	-	18,379
<b>At 31 December 2019 and at 1 January 2020</b>	<b>5,400</b>	<b>12,979</b>	<b>-</b>	<b>18,379</b>
Net remeasurement of loss allowance	2,142	5,371	-	7,513
New financial assets acquired	-	-	498	498
<b>At 31 December 2020</b>	<b>7,542</b>	<b>18,350</b>	<b>498</b>	<b>26,390</b>

<i>Movement of allowance for expected credit loss</i>	<b>Consolidated financial statements</b>			Total
	Other account receivable	Short-term loans (in thousand Baht)	Long-term loans	
<i>Lifetime ECL credit impaired</i>				
At 1 January 2019	-	-	-	-
Net remeasurement of loss allowance	163,501	392,978	-	556,479
Translation adjustment	(670)	(1,609)	-	(2,279)
<b>At 31 December 2019 and at 1 January 2020</b>	<b>162,831</b>	<b>391,369</b>	<b>-</b>	<b>554,200</b>
Net remeasurement of loss allowance	67,102	168,256	-	235,358
New financial asset acquired	-	-	15,245	15,245
Translation adjustment	(3,393)	(8,444)	(287)	(12,124)
<b>At 31 December 2020</b>	<b>226,540</b>	<b>551,181</b>	<b>14,958</b>	<b>792,679</b>

	<b>Separate financial statements</b>			Total
	12-months ECL	Lifetime ECL-not credit-impaired (in thousand Dollar)	Lifetime ECL-credit-impaired	
<i>At 31 December 2020</i>				
Other accounts receivable	220	235	2,809	3,264
Short-term loans	-	-	7,127	7,127
Other non-current receivable	-	-	50,304	50,304
Long-term loan	-	-	60,391	60,391
	<b>220</b>	<b>235</b>	<b>120,631</b>	<b>121,086</b>
Less allowance for expected credit loss	-	-	(64,568)	(64,568)
<b>Net</b>	<b>220</b>	<b>235</b>	<b>56,063</b>	<b>56,518</b>

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

		Separate financial statements		
	12-months ECL	Lifetime ECL-not credit- impaired <i>(in thousand Dollar)</i>	Lifetime ECL- credit- impaired	Total
<b>At 31 December 2019</b>				
Other accounts receivable	275	44	154,394	154,713
Short-term loans	-	-	75,658	75,658
	<u>275</u>	<u>44</u>	<u>230,052</u>	<u>230,371</u>
Less allowance for expected credit loss	-	-	(57,928)	(57,928)
<b>Net</b>	<u>275</u>	<u>44</u>	<u>172,124</u>	<u>172,443</u>
<b>Separate financial statements</b>				
	12-months ECL	Lifetime ECL- not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL- credit- impaired	Total
<b>At 31 December 2020</b>				
Other accounts receivable	6,608	7,059	84,374	98,041
Short-term loans	-	-	214,074	214,074
Other non-current receivable	-	-	1,510,987	1,510,987
Long-term loan	-	-	1,813,970	1,813,970
	<u>6,608</u>	<u>7,059</u>	<u>3,623,405</u>	<u>3,637,072</u>
Less allowance for expected credit loss	-	-	(1,939,435)	(1,939,435)
<b>Net</b>	<u>6,608</u>	<u>7,059</u>	<u>1,683,970</u>	<u>1,697,637</u>
<b>At 31 December 2019</b>				
Other accounts receivable	8,292	1,327	4,655,596	4,665,215
Short-term loans	-	-	2,281,391	2,281,391
	<u>8,292</u>	<u>1,327</u>	<u>6,936,987</u>	<u>6,946,606</u>
Less allowance for expected credit loss	-	-	(1,746,761)	(1,746,761)
<b>Net</b>	<u>8,292</u>	<u>1,327</u>	<u>5,190,226</u>	<u>5,199,845</u>

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Movement of allowance for expected credit loss</i>	Separate financial statements				Total
	Other account receivable	Short-term loans	Other non-current receivable	Long-term loans	
	<i>(in thousand Dollar)</i>				
<b><i>Lifetime ECL credit impaired</i></b>					
At 1 January 2019	33,417	2,109	-	19,740	55,266
Net remeasurement of loss allowance	(1,202)	(298)	-	4,162	2,662
Reclassification	-	23,902	-	(23,902)	-
<b>At 31 December 2019 and at 1 January 2020</b>	<b>32,215</b>	<b>25,713</b>	<b>-</b>	<b>-</b>	<b>57,928</b>
Net remeasurement of loss allowance	1,127	5,315	-	-	6,442
Unrealised losses on exchange	6,379	93	-	-	6,472
Reclassification	(30,638)	(23,994)	30,638	23,994	-
Write off	(6,274)	-	-	-	(6,274)
<b>At 31 December 2020</b>	<b>2,809</b>	<b>7,127</b>	<b>30,638</b>	<b>23,994</b>	<b>64,568</b>

Movement of allowance for expected credit loss	Other account receivable	Separate financial statements			Total
		Short-term loans	Other non- current receivable (in thousand Baht)	Long-term loans	
<b>Lifetime ECL credit impaired</b>					
At 1 January 2019	1,084,375	68,437	-	640,559	1,793,371
Net remeasurement of loss allowance	(36,394)	(13,604)	-	83,146	33,148
Reclassification	-	723,705	-	(723,705)	-
Translation adjustment	(76,570)	(3,188)	-	-	(79,758)
<b>At 31 December 2019 and at 1 January 2020</b>	<b>971,411</b>	<b>775,350</b>	<b>-</b>	<b>-</b>	<b>1,746,761</b>
Net remeasurement of loss allowance	34,502	162,717	-	-	197,219
Unrealised losses on exchange	191,607	2,793	-	-	194,400
Reclassification	(920,277)	(720,710)	920,277	720,710	-
Write off	(196,544)	-	-	-	(196,544)
Translation adjustment	3,675	(6,076)	-	-	(2,401)
<b>At 31 December 2020</b>	<b>84,374</b>	<b>214,074</b>	<b>920,277</b>	<b>720,710</b>	<b>1,939,435</b>

(c.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited which the Group considers to have low credit risk.

(c.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

**Mermaid Maritime Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**(c.3) Market risk**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

**(c.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand US Dollar)</i>			
<b><i>Thai Baht</i></b>				
Cash and cash equivalents	457	1,680	90	796
Trade accounts receivable	1	291	-	-
Receivables from related parties	-	-	34	117,991
Long-term loans to related parties	-	-	36,397	36,256
Trade accounts payable	(266)	(1,273)	-	-
Other accounts payable	(610)	(909)	(438)	(699)
Gross balance sheet exposure	<u>(418)</u>	<u>(211)</u>	<u>36,083</u>	<u>154,344</u>
<b><i>Singapore Dollar</i></b>				
Cash and cash equivalents	102	75	-	-
Trade accounts payable	(26)	(37)	-	-
Other accounts payable	(59)	(140)	-	-
Gross balance sheet exposure	<u>17</u>	<u>(102)</u>	<u>-</u>	<u>-</u>
<b><i>Qatari Rial</i></b>				
Cash and cash equivalents	275	405	-	-
Restricted cash equivalent	-	1,070	-	-
Trade accounts payable	(37)	(675)	-	-
Other accounts payable	(59)	(217)	-	-
Gross balance sheet exposure	<u>179</u>	<u>583</u>	<u>-</u>	<u>-</u>

***Sensitivity analysis***

A reasonably possible strengthening (weakening) of the Thai Baht, Singapore Dollar and Qatari Rial against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements					
At 31 December 2020	Movement	Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
	(%)	(in thousand US Dollar)		(in thousand Baht)	
Thai Baht	10	(46)	38	(1,394)	1,140
Singapore Dollar	10	2	(2)	56	(46)
Qatari Rial	10	20	(16)	596	(487)

Separate financial statements					
At 31 December 2020	Movement	Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
	(%)	(in thousand US Dollar)		(in thousand Baht)	
Thai Baht	10	4,009	(3,280)	120,422	(98,527)

### (c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 12). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

## 23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital.

## 24 Guarantees

As at 31 December 2020 and 2019, the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements							
	2020				2019			
	thousand Baht	thousand USD	thousand SAR	thousand QAR	thousand Baht	thousand USD	thousand SAR	thousand QAR
Letters of guarantee issued by financial institutions in the normal course of business	400	15,683	4,350	-	15,600	4,434	4,350	3,878
Guarantee for long-term borrowings of subsidiary to financial institution	-	57,600	-	-	-	56,000	-	-

# Mermaid Maritime Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements			
	2020		2019	
	thousand Baht	thousand USD	thousand Baht	thousand USD
Letters of guarantee issued by financial institutions in the normal course of business	400	-	400	-
Guarantee for long-term loans of subsidiaries to financial institutions	-	57,600	-	56,000

## 25 Other events

The Group, through its other indirect subsidiary Seascope Surveys Pte. Ltd. (“SSS”), is a party to or involved in a legal proceedings in Indonesia related to the shareholdings and management affairs of PT Seascope Surveys Indonesia (“PTSSI”). A tort lawsuit was filed in the South Jakarta District Court by Seascope Surveys alleging that Ms. Margaretta Retno Sundari and other co-defendants had engaged in unlawful acts related to the transfer of ownership of 368 (46%) shares in PTSSI. As a first step in the lawsuit, the court had directed the parties to attempt mediation and to consider mediation proposals.

## 26 Commitments with non-related parties

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

	Consolidated financial statements			
	2020	2019	2020	2019
	(in thousand US Dollar)		(in thousand Baht)	
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	153	268	4,596	8,081
<b>Total</b>	<b>153</b>	<b>268</b>	<b>4,596</b>	<b>8,081</b>

## 27 Events after the reporting period

### *Increase in share capital of a joint venture*

At the Extraordinary General Meeting of shareholders of ZeaQuest Co., Ltd., (“ZeaQuest”), held on 30 December 2020, the shareholders approved to increase the share capital of ZeaQuest by Baht 150.0 million through the issuance of 1,500,000 new ordinary shares with a par value of Baht 100 each. The shares were 43.88% paid up by the existing shareholders in proportion to their shareholdings. The increase in share capital of ZeaQuest were registered on 11 January 2021 with Department of Business Development. Subsequently, on 25 February 2021, ZeaQuest additionally called for the remaining share subscriptions at Baht 56.12 per share, totalling Baht 43.49 million.



# **Mermaid Maritime Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **For the year ended 31 December 2020**

#### *Reduction of share capital*

At the Board of Directors Meeting held on 25 February 2021, the directors approved to decrease the Company's authorised share capital that have remained unissued or unallocated under the employee share option plans and other purposes previously approved by the Company, all of which have expired, of 3,371,840 shares at par value of Baht 1.0 each. The existing authorised share capital of Baht 1,416,700,697, divided into 1,416,700,697 shares, will be decreased to Baht 1,413,328,857, divided into 1,413,328,857 shares. The reduction of share capital is subject to shareholders' approval.

#### *Increase of share capital to existing shareholders in proportion to their shareholding percentage and issue of warrants*

At the Board of Directors Meeting held on 25 February 2021, the directors approved to propose a non-renounceable non-underwritten rights issue combined warrants exercisable into shares and private placement. New ordinary shares will be offered on the basis of one (1) new ordinary share ("New Share") for every twenty (20) existing ordinary shares with a par value of Baht one (1) each in the capital of the Company. Each New Share shall attach twenty (20) free detachable warrants, each warrant exercisable into one (1) ordinary share with a par value of Baht one (1) each. Following the rights issue and allotment of excess New Shares, any remaining unsubscribed excess New Shares together with their attached warrants shall be placed by way of a private placement. The proposed price of each New Share shall be SGD 0.08. The proposed exercise price of each warrant shall be SGD 0.08. The private placement price per share shall be at a price no lower than the New Share price. Based on the existing share capital, in the event that all New Shares are subscribed, the Company will allot and issue 70,666,443 new ordinary shares and 1,413,328,857 warrants exercisable into shares. The increase of share capital to existing shareholders in proportion to their shareholding percentage and issue of warrants exercisable into shares and private placement are subject to shareholders' approval.