
Financial Statement and Dividend Announcement for the Year Ended 31 December 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group		<u>Increase/ (Decrease)</u>
	<u>31.12.2019</u>	<u>31.12.2018</u>	
	\$'000	\$'000	
Revenue	32,276	51,449	(37.3%)
Cost of sales	(49,572)	(69,565)	(28.7%)
Gross loss	(17,296)	(18,116)	(4.5%)
Other income	654	106	>100%
Administrative expenses	(13,520)	(17,545)	(22.9%)
Other operating expenses	(68,093)	(6,247)	>100%
Write-back of impairment loss on trade receivables	–	26	N/M
Impairment loss on non-trade receivables	–	(34)	N/M
Write-back of impairment loss on investment in joint venture	–	9,904	N/M
Results from operating activities	(98,255)	(31,906)	>100%
Finance income	3,569	2,591	37.7%
Finance costs	(8,998)	(18,916)	(52.4%)
Share of results of joint venture (net of tax)	–	(9,226)	N/M
Loss before tax	(103,684)	(57,457)	80.5%
Income tax (expense)/credit	(734)	3,518	N/M
Loss for the year	(104,418)	(53,939)	93.6%
Loss attributable to:			
Owners of the Company	(81,237)	(42,180)	92.6%
Non-controlling interests	(23,181)	(11,759)	97.1%
Loss for the year	(104,418)	(53,939)	93.6%

N/M – Not Meaningful

See paragraph 8 for more explanation on the income statement review

1(a)(i) Profit/(Loss) for the period is arrived at after crediting/ (charging):-

	Group		<u>Increase/ (Decrease)</u>
	<u>31.12.2019</u>	<u>31.12.2018</u>	
	<u>\$'000</u>	<u>\$'000</u>	
Amortisation of intangible assets	(1)	(116)	(99.1%)
Depreciation of plant and equipment	(28,925)	(29,758)	(2.8%)
Finance costs on bonds	(1,151)	(5,560)	(79.3%)
Interest expense on borrowings	(7,847)	(13,356)	(41.2%)
Gain on repurchasing secured bonds	3,504	2,447	43.2%
Write-back of impairment loss on trade receivables	–	26	N/M
Impairment loss on non-trade receivables	–	(34)	N/M
Impairment loss on plant and equipment	(16,627)	(1,793)	>100%
Write-back of impairment loss on investment in a joint venture	–	9,904	N/M
Foreign exchange loss (net)	(131)	(1,772)	(92.6%)
Plant and equipment written off	(18)	–	N/M
Assets under construction written off	(54,974)	–	N/M
Gain/(Loss) on disposal of plant and equipment	653	(2,021)	N/M
Loss on disposal of asset held for sale	–	(363)	N/M
Reversal of provision related to assets under construction	4,179	–	N/M
Adjustments for over provision of tax in respect of prior years	148	4,947	(97.0%)

N/M – Not Meaningful

See paragraph 8 for more explanation on the income statement review

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

	Group		Company	
	31.12.2019 \$'000	31.12.2018 \$'000	31.12.2019 \$'000	31.12.2018 \$'000
Current assets				
Cash and cash equivalents	2,457	15,606	24	1,079
Amounts due from subsidiaries	–	–	311	171
Trade receivables	3,903	1,758	–	–
Contract assets	9,942	1,263	–	–
Inventories	4,313	226	–	–
Other assets	5,586	5,039	31	98
	26,201	23,892	366	1,348
Non-current assets				
Subsidiaries	–	–	–	47,251
Plant and equipment	282,209	388,487	1	21
Intangible assets and goodwill	–	1	–	–
Other assets	671	679	–	–
Deferred tax assets	548	555	–	–
	283,428	389,722	1	47,272
Total assets	309,629	413,614	367	48,620
Equity attributable to owners of the Company				
Share capital	390,942	359,973	390,942	359,973
Equity reserve	18,007	18,007	18,007	18,007
Treasury shares	(26,365)	(26,365)	(26,365)	(26,365)
Foreign currency translation reserve	(6,590)	(7,160)	–	–
Other reserve	(3,750)	(3,750)	–	–
Accumulated losses	(432,238)	(351,001)	(409,775)	(363,282)
	(59,994)	(10,296)	(27,191)	(11,667)
Non-controlling interests	(11,604)	11,449	–	–
Total equity	(71,598)	1,153	(27,191)	(11,667)
Current liabilities				
Bank overdraft	3,659	3,520	–	–
Trade and other payables	22,910	23,840	2,589	2,267
Contract liabilities	51	20	–	–
Amounts due to subsidiaries	–	–	1,852	1,589
Provision for current tax	3,136	3,197	–	–
Financial liabilities	11,993	11,649	5,171	–
Lease liabilities	88	–	–	–
	41,837	42,226	9,612	3,856
Non-current liabilities				
Trade and other payables	12,123	561	–	–
Amounts due to subsidiaries	–	–	17,946	18,180
Financial liabilities	325,947	368,621	–	38,221
Lease liabilities	309	–	–	–
Deferred tax liabilities	1,011	1,053	–	30
	339,390	370,235	17,946	56,431
Total liabilities	381,227	412,461	27,558	60,287
Total equity and liabilities	309,629	413,614	367	48,620

See paragraph 8 for more explanation on the balance sheet review

1(b) (i) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand	Group 31.12.2019 \$'000	Group 31.12.2018 \$'000
Secured	9,076	5,786
Unsecured	2,917	5,863
Total	<u>11,993</u>	<u>11,649</u>

Amount repayable after one year	Group 31.12.2019 \$'000	Group 31.12.2018 \$'000
Secured	318,864	364,349
Unsecured	7,083	4,272
Total	<u>325,947</u>	<u>368,621</u>

Amount repayable in total	Group 31.12.2019 \$'000	Group 31.12.2018 \$'000
Secured	327,940	370,135
Unsecured	10,000	10,135
Total	<u>337,940</u>	<u>380,270</u>

Included in unsecured borrowings repayable within one year as at 31 December 2018 was an amount of \$135,000 relating to loans from related party.

Included in secured borrowings repayable in one year or less as at 31 December 2019 are fixed rate secured bonds due 2020 that were issued by the Company on 8 December 2017 (the "2017 Bonds"). The carrying value of the 2017 Bonds was \$5,171,000 (31 December 2018: \$38,221,000 included in secured borrowings repayable after one year).

Details of the collaterals:

Secured bank loans are secured on plant and equipment, pledged cash deposits and corporate guarantees by the Company. The 2017 Bonds are secured by a share charge in respect of a portion of the Company's shares in a subsidiary of the Group, KS Drilling Pte Ltd and a negative pledge.

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

	Group	
	31.12.2019	31.12.2018
	\$'000	\$'000
<u>Operating activities</u>		
Loss before tax	(103,684)	(57,457)
Adjustments for:		
Amortisation of intangible assets	1	116
Depreciation of plant and equipment	28,925	29,758
Write-back of impairment loss on trade receivables	–	(26)
Impairment loss on plant and equipment	16,627	1,793
(Gain)/Loss on disposal of plant and equipment	(653)	2,021
Plant and equipment written off	18	–
Assets under construction written off	54,974	–
Write-back of impairment loss on investment in joint venture	–	(9,904)
Impairment loss on non-trade receivables	–	34
Finance income	(3,569)	(2,591)
Finance costs	7,847	13,356
Finance costs on bonds	1,151	5,560
Share of results of joint ventures, net of tax	–	9,226
Unrealised foreign exchange (gain)/loss	(252)	390
Loss on disposal of asset held for sale	–	363
Operating profit/(loss) before changes in working capital	1,385	(7,361)
Changes in working capital:		
- inventories	1,016	–
- contract assets	(8,614)	5,889
- trade receivables	(2,076)	5,539
- other assets	(393)	6,222
- trade and other payables	1,296	(7,778)
- contract liabilities	31	(2,748)
Cash used in operating activities	(7,355)	(237)
Taxes paid	(238)	(339)
Net cash used in operating activities	(7,593)	(576)
<u>Investing activities</u>		
Refund of deposit paid	2,693	–
Interest received	66	143
Acquisition of plant and equipment	(4,721)	(924)
Proceeds from disposal of plant and equipment	742	2,848
Proceeds from sale of asset held for sale	–	296
Proceeds from disposal of joint venture together with a subsidiary, net of transaction costs	–	4,424
Proceeds from issue of new shares by an indirect subsidiary	–	409*
Acquisition of subsidiary, net of cash acquired	–	9,041
Net cash (used in)/from investing activities	(1,220)	16,237

	Group	
	31.12.2019	31.12.2018
	\$'000	\$'000
<u>Financing activities</u>		
Decrease/(Increase) in deposits pledged	1,789	(403)
Interest paid on borrowings	(1,853)	(6,228)
Interest paid on related party loan	(2)	(39)
Issuance of new unsecured bonds	–	35,000
Repayment of lease liabilities	(3)	–
Repayment of bank loans	(2,821)	(10,613)
Loan from related parties	269	2,380
Repayment of loan from related parties	(100)	(2,380)
Repayment of secured bonds, excluding interest	–	(30,000)
Payment of transaction costs of bank loans	(54)	(48)
Net cash used in financing activities	(2,775)	(12,331)
Net (decrease)/increase in cash and cash equivalents	(11,588)	3,330
Cash and cash equivalents at beginning of the year	10,005	6,777
Effect of exchange rate fluctuations on cash held in foreign currencies	89	(102)
Cash and cash equivalents at end of the year	(1,494)	10,005
Cash and cash equivalents at end of the year includes the following:		
Cash and cash equivalents	2,457	15,606
Bank overdraft	(3,659)	(3,520)
Cash and cash equivalents (net)	(1,202)	12,086
Deposit pledged	(292)	(2,081)
Cash and cash equivalents at end of the year	(1,494)	10,005

See paragraph 8 for explanation on the statement of cash flow review
*Refer to Announcement dated 4 June 2018

1(d) Statement of Comprehensive Income

	Group		
	31.12.2019	31.12.2018	Increase/ (Decrease)
	\$'000	\$'000	%
Loss attributable to:			
Owners of the Company	(81,237)	(42,180)	92.6
Non-controlling interests	(23,181)	(11,759)	97.1
Loss for the year	(104,418)	(53,939)	93.6
Other comprehensive income/(expense) for the year:			
Defined benefit plan remeasurements	–	75	N/M
Foreign currency translation differences on translation of financial statements of foreign subsidiaries	698	1,625	(57.0)
Other comprehensive income for the year	698	1,700	(58.9)
Total comprehensive expense for the year	(103,720)	(52,239)	98.5
Total comprehensive expense attributable to:			
Owners of the Company	(80,667)	(40,796)	97.7
Non-controlling interests	(23,053)	(11,443)	>100
Total comprehensive expense for the year	(103,720)	(52,239)	98.5

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

Group	Share capital \$'000	Equity reserve \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2019	359,973	18,007	(26,365)	(7,160)	(3,750)	(351,001)	(10,296)	11,449	1,153
Total comprehensive expense for the year									
Loss for the year	–	–	–	–	–	(81,237)	(81,237)	(23,181)	(104,418)
Other comprehensive expense									
Exchange differences on translation of financial statements of foreign operations, and monetary items which form part of net investment in foreign operations	–	–	–	570	–	–	570	128	698
Total other comprehensive income	–	–	–	570	–	–	570	128	698
Total comprehensive income/(expense) for the year	–	–	–	570	–	(81,237)	(80,667)	(23,053)	(103,720)
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Issue of ordinary shares	30,969	–	–	–	–	–	30,969	–	30,969
Total contributions by and distributions to owners of the Company	30,969	–	–	–	–	–	30,969	–	30,969
At 31 December 2019	390,942	18,007	(26,365)	(6,590)	(3,750)	(432,238)	(59,994)	(11,604)	(71,598)

Group	Share capital \$'000	Equity reserve \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2018	359,973	18,007	(26,365)	(8,476)	(3,750)	(308,862)	30,527	21,795	52,322
Adjustment on initial application of SFRS(I) 9 (net of tax)	–	–	–	–	–	(27)	(27)	–	(27)
At 1 January 2018, as restated	359,973	18,007	(26,365)	(8,476)	(3,750)	(308,889)	30,500	21,795	52,295
Total comprehensive expense for the year									
Loss for the year	–	–	–	–	–	(42,180)	(42,180)	(11,759)	(53,939)
Other comprehensive income/(expense)									
Exchange differences on translation of financial statements of foreign operations, and monetary items which form part of net investment in foreign operations	–	–	–	1,316	–	8	1,324	301	1,625
Defined benefit plan remeasurements	–	–	–	–	–	60	60	15	75
Total other comprehensive income	–	–	–	1,316	–	68	1,384	316	1,700
Total comprehensive income/(expense) for the year	–	–	–	1,316	–	(42,112)	(40,796)	(11,443)	(52,239)
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Acquisition of a subsidiary	–	–	–	–	–	–	–	688	688
Issuance of shares in subsidiary with non-controlling interests	–	–	–	–	–	–	–	409	409
Total contributions by and distributions to owners of the Company	–	–	–	–	–	–	–	1,097	1,097
At 31 December 2018	359,973	18,007	(26,365)	(7,160)	(3,750)	(351,001)	(10,296)	11,449	1,153

Company	Share capital \$'000	Equity reserve \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2019	359,973	18,007	(26,365)	(363,282)	(11,667)
Loss for the year	–	–	–	(46,493)	(46,493)
Total comprehensive expense for the year	–	–	–	(46,493)	(46,493)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of ordinary shares	30,969	–	–	–	30,969
Total contributions by and distributions to owners of the Company	30,969	–	–	–	30,969
At 31 December 2019	390,942	18,007	(26,365)	(409,775)	(27,191)
At 1 January 2018	359,973	18,007	(26,365)	(310,447)	41,168
Loss for the year	–	–	–	(52,835)	(52,835)
Total comprehensive expense for the year	–	–	–	(52,835)	(52,835)
At 31 December 2018	359,973	18,007	(26,365)	(363,282)	(11,667)

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

The Company issued and allotted an aggregate of 794,871,795 new ordinary shares in April 2019. The Company did not have any subsidiary holdings as at 31 December 2019 (31 December 2018: Nil) where "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Securities Trading Limited.

As at 31 December 2019, the number of ordinary shares in issue was 1,319,112,010 of which 8,639,000 were held by the Company as treasury shares.

As at 31 December 2018, the number of ordinary shares in issue was 524,240,215 of which 8,639,000 were held by the Company as treasury shares.

Convertible Bonds

As at 31 December 2019 and 31 December 2018, there were no convertible bonds outstanding.

Warrants

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

KS Energy Performance Share Plan (the "Plan")

As at 31 December 2019, there were no outstanding shares issued under the Plan which was approved by the shareholders of the Company on 2 July 2009.

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

As at 31 December 2019, the share capital less treasury shares of the Company was 1,310,473,010 ordinary shares (1,319,112,010 issued ordinary shares less 8,639,000 treasury shares).

As at 31 December 2018, the share capital less treasury shares of the Company was 515,601,215 ordinary shares (524,240,215 issued ordinary shares less 8,639,000 treasury shares).

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2019 (31 December 2018: Nil).

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2019 (31 December 2018: Nil).

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the audited financial statements for the financial year ended 31 December 2018.

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

SFRS(I) 16 Leases

The Group is required to adopt *SFRS(I) 16 Leases* from 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the previous standard. i.e. lessors continue to classify leases as finance or operating leases.

For leases which the Group is a lessee, the Group is required to recognise new assets and liabilities for its portfolio of operating leases. The nature of expenses related to those leases has changed because the Group will recognise a depreciation charge for ROU assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the leases, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The application of this SFRS(I) 16 does not have a significant impact to the Group's financial statements.

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

	Group	
	<u>31.12.2019</u>	<u>31.12.2018</u>
Loss per share attributable to owners of the Group:		
(a) Based on weighted average number of ordinary shares in issue (cents per share)	(7.66)	(8.18)
- Weighted average number of shares	1,060,033,951	515,601,215
(b) On a fully diluted basis (cents per share)	(7.66)	(8.18)
- Weighted average number of shares	1,060,033,951	515,601,215

The basic and diluted earnings per share for the year ended 31 December 2019 was calculated by dividing the loss attributable to shareholders of \$81,237,000 (31.12.2018: \$42,180,000) by the weighted average number of shares in issue during the financial year.

The earnings per share computation has taken into consideration the following:

The diluted earnings per share computations have not taken into consideration the effects of the 2017 Bonds as at 31 December 2019, nor the 2017 Bonds as at 31 December 2018, as they are anti-dilutive pursuant to para 41 of SFRS(I) 33.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	<u>31.12.2019</u>	<u>31.12.2018</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
	Cents	Cents	Cents	Cents
Net asset value (excluding non-controlling interests) per ordinary share based on existing issued share capital as at the end of the year reported on	<u>(4.6)</u>	<u>(2.0)</u>	<u>(2.1)</u>	<u>(2.3)</u>

The Group's and the Company's net asset values per ordinary share have been computed based on the 1,310,473,010 ordinary shares issued as at 31 December 2019 (31.12.2018: 515,601,215).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT REVIEW

Financial year ended 31 December 2019

	Group		
	<u>31.12.2019</u>	<u>31.12.2018</u>	<u>Change</u>
	\$'000	\$'000	
Revenue by segment			
Drilling	31,238	50,617	(38.3%)
Engineering	1,140	832	37.0%
Less: Inter-segment revenue	(102)	-	N/M
	<u>32,276</u>	<u>51,449</u>	(37.3%)

Overview

The financial results reflect the continuing weak operating conditions across the oil and gas services sector.

Results for the twelve months ended 31 December 2019 ("FY2019")

The consolidated revenue was \$32.3 million for FY2019, a decrease of \$19.1 million, or 37.3%, below that of \$51.4 million reported for the twelve months ended 31 December 2018 ("FY2018") due to lower revenue from the Drilling segment following the completion of contracts for our onshore drilling rigs in Indonesia during the second, third and fourth quarters of FY2018 and offshore drilling rig in Egypt during the third quarter of FY2018.

The consolidated loss after tax was \$104.4 million for FY2019, an increase of \$50.5 million compared to the consolidated loss after tax of \$53.9 million reported for FY2018. The higher loss was mainly due to:

- i. a \$66.4 million higher loss from operating activities which increased from a \$31.9 million loss in FY2018 to a \$98.3 million loss in FY2019 mainly due to the assets under construction write off and the impairment losses on plant and equipment arising from several onshore drilling rigs in Indonesia; and
- ii. a \$4.2 million change in tax from a \$3.5 million tax credit in FY2018 to a \$0.7 million tax expense in FY2019 due to the adjustments in FY2018 for over provision of tax in respect of prior years.

Partially offset by

- iii. a \$9.9 million decrease in Finance Costs from \$18.9 million in FY2018 to \$9.0 million in FY2019;
- iv. a \$9.2 million smaller loss from share of results of joint venture, from a \$9.2 million loss in FY2018 to \$0.0 million in FY2019 due to the disposal of the joint venture; and

- v. a \$1.0 million increase in Finance Income from \$2.6 million in FY2018 to \$3.6 million in FY2019. This was mainly due to a gain on repurchasing secured bonds of \$3.5 million in FY2019 and \$2.4 million in FY2018.

Revenue

The consolidated revenue was \$32.3 million for FY2019, a decrease of \$19.1 million, or 37.3%, below that of \$51.4 million for FY2018.

Revenue from the Drilling business decreased \$19.3 million, or 38.3%, from \$50.6 million for FY2018 to \$31.3 million for FY2019. The lower revenue resulted from completion of contracts for our onshore drilling rigs in Indonesia during the second, third and fourth quarters of FY2018 and offshore drilling rig in Egypt during the third quarter of FY2018. Revenue contribution from the Drilling business made up about 96.8% of the Group's consolidated revenue for FY2019.

Revenue from the Engineering business increased \$0.3 million from \$0.8 million for FY2018 to \$1.1 million for FY2019. The higher revenue resulted from new projects awarded in 2019. Revenue contribution from the Engineering business made up about 3.2% of the Group's consolidated revenue for FY2019.

Gross Loss

The gross loss of \$17.3 million for FY2019 was 4.5% smaller than the gross loss of \$18.1 million reported for FY2018. The smaller gross loss in FY2019 was the net result of a \$19.9 million decrease in cost of sales and a \$19.1 million decrease in revenue. Included in cost of sales are the cost of goods sold, the cost of services provided, and certain fixed costs associated with our fleet of rigs such as depreciation charges which decreased from \$29.3 million in FY2018 to \$28.7 million in FY2019. The lower depreciation charge in FY2019 was mainly due to the disposal of plant and equipment in FY2018 and some fully depreciated equipment. Cost of sales in FY2019 included \$0.7 million of mobilisation costs incurred to relocate an onshore drilling rig to Indonesia. All our onshore drilling rigs are now located in Indonesia.

The gross loss margin increased from 35.2% in FY2018 to 53.6% in FY2019. Excluding rig depreciation from cost of sales, the adjusted gross margin increased from 21.7% in FY2018 to 35.2% in FY2019.

Other Income

The breakdown of "other income" is shown below:

	31.12.2019	31.12.2018	Change
	\$'000	\$'000	\$'000
Detailed breakdown:			
Scrap sales	–	41	(41)
Gain on disposal of plant and equipment	653	–	653
Gain on sale of diesel supplies	–	30	(30)
Others	1	35	(34)
Other Income	654	106	548

Other income increased from \$0.1 million for FY2018 to \$0.7 million for FY2019. Other income mainly comprised the gain on disposal of plant and equipment and other income not directly related to the revenue generated from our day-to-day operations.

Operating Expenses

Administrative expenses decreased \$4.0 million from \$17.5 million in FY2018 to \$13.5 million in FY2019 mainly due to reduced staff costs and legal and professional fees.

Other operating expenses increased \$61.9 million from \$6.2 million in FY2018 to \$68.1 million in FY2019 mainly due to:

- i. A \$55.0 million increase in assets under construction written off which increased from \$0.0 million in FY2018 to \$55.0 million in FY2019 following the termination of the new build contracts (please refer to the announcements dated 17 and 26 June 2019 for more details); and
- ii. A \$14.8 million increase in impairment losses on plant and equipment which increased from \$1.8 million in FY2018 to \$16.6 million in FY2019 arising from several onshore drilling rigs in Indonesia.

Partially offset by

- iii. A \$4.2 million increase in reversal of provision related to assets under construction, which increased from \$0.0 million in FY2018 to \$4.2 million in FY2019 following the termination of the new build contracts mentioned above;
- iv. A \$2.0 million decrease in loss on disposal of plant and equipment which decreased from \$2.0 million in FY2018 to \$0.0 million in FY2019;
- v. A \$1.7 million decrease in foreign exchange losses which decreased from \$1.8 million in FY2018 to \$0.1 million in FY2019; and
- vi. A \$0.4 million decrease in loss on disposal of asset held for sale which decreased from \$0.4 million in FY2018 to \$0.0 million in FY2019.

Write-back of impairment loss on investment in joint venture decreased \$9.9 million from \$9.9 million income in FY2018 to \$0.0 million in FY2019 due to a write-back of impairment loss on investment in the 55.35% owned joint venture, KS Distribution Pte Ltd, recognised in FY2018 upon disposal.

Finance Income and Costs

Finance income increased from \$2.6 million in FY2018 to \$3.6 million in FY2019. In FY2019, finance income included a \$3.5 million gain on repurchasing \$31.0 million face value of secured bonds at par value. In FY2018, finance income included a \$2.4 million gain on repurchasing \$30.0 million face value of secured bonds at par value. The remaining finance income was mainly derived from interest income on fixed deposits.

Finance costs decreased \$9.9 million from \$18.9 million in FY2018 to \$9.0 million in FY2019 due to a reduction in borrowing costs, transaction costs and repurchasing the secured bonds mentioned above.

Share of results of Joint Ventures

The Group's share of results from joint ventures decreased \$9.2 million from a loss of \$9.2 million for FY2018 to \$0.0 million for FY2019. The loss in FY2018 was due to losses recorded by KS Distribution Pte Ltd and its subsidiaries. The Group completed the disposal of 100% of the existing issued share capital of KS Resources Pte Ltd which held the 55.35% owned joint venture, KS Distribution Pte Ltd, in FY2018.

Tax (expense)/credit

The tax expense increased from a credit of \$3.5 million in FY2018 to an expense of \$0.7 million in FY2019 following an adjustment in 2018 for over provision of tax in respect of prior years.

Loss Attributable to Shareholders

The loss attributable to Owners of the Company was a loss of \$81.2 million for FY2019 which was \$39.0 million larger than the loss of \$42.2 million reported for FY2018.

STATEMENT OF FINANCIAL POSITION REVIEW

Assets

The Group's total non-current assets decreased \$106.3 million from \$389.7 million as at 31 December 2018 to \$283.4 million as at 31 December 2019.

Non-current assets mainly comprise plant and equipment in our Drilling business. The carrying value of the drilling rig fleet decreased by \$42.5 million from \$324.1 million as at 31 December 2018 to \$281.6 million as at 31 December 2019 mainly due to depreciation charges of \$28.7 million, impairment of plant and equipment of \$16.6 million and foreign exchange impacts of \$3.9 million offset against the acquisition of plant and equipment of \$6.7 million, relating to the special periodic survey of a jack-up drilling rig.

The carrying value of assets under construction decreased by \$64.0 million from \$64.0 million as at 31 December 2018 to \$0.0 million as at 31 December 2019 following the termination of the new build contracts (please refer to the announcements dated 17 and 26 June 2019 for more details).

Total current assets increased \$2.3 million from \$23.9 million as at 31 December 2018 to \$26.2 million as at 31 December 2019. The increase in current assets was mainly due to higher contract assets, inventories, trade receivables and other assets, offset by lower cash and cash equivalents.

Contract assets increased \$8.6 million from \$1.3 million as at 31 December 2018 to \$9.9 million as at 31 December 2019 due to higher accrued revenue arising from the new contracts started in the third and fourth quarters of FY2019.

Inventories increased \$4.1 million from \$0.2 million as at 31 December 2018 to \$4.3 million as at 31 December 2019 mainly due to reclassification of \$5.0 million from assets under construction, offset against sales of inventories that amounted to \$1.0 million in FY2019.

Trade receivables increased \$2.1 million from \$1.8 million as at 31 December 2018 to \$3.9 million as at 31 December 2019 due to higher revenue recorded before 31 December 2019 than before 31 December 2018 in the Drilling business. Impairment testing has been performed on the trade receivables and no impairment loss was recognised in FY2019.

Other current assets increased \$0.6 million from \$5.0 million as at 31 December 2018 to \$5.6 million as at 31 December 2019 (see table below).

The breakdown of "other current assets" is shown below:

	31.12.2019	31.12.2018	Movement
	\$'000	\$'000	\$'000
Detailed breakdown:			
Sundry deposits	143	112	31
Withholding tax recoverable	363	615	(252)
Value-added tax receivable	4,030	3,269	761
Other debtors	527	506	21
Advanced payment to supplier	266	63	203
Prepayments	257	474	(217)
Other Current Assets	5,586	5,039	547

These balances mainly originate from our Drilling business and are routine in nature.

Liabilities

Total liabilities decreased \$31.3 million, or 7.6%, from \$412.5 million as at 31 December 2018 to \$381.2 million as at 31 December 2019. This was principally attributable to a \$42.3 million decrease in total borrowings (current and non-current), offset by a \$10.6 million increase in trade and other payables (current and non-current), and a \$0.2 million increase in bank overdraft.

Total borrowings as at 31 December 2018 and 31 December 2019:

	31.12.2019	31.12.2018	Movement
	\$'000	\$'000	\$'000
Current Borrowings - Secured	9,076	5,786	3,290
Non-current Borrowings - Secured	318,864	364,349	(45,485)
Total Borrowings - Secured	327,940	370,135	(42,195)
Current Borrowings - Unsecured	2,917	5,863	(2,946)
Non-current Borrowings - Unsecured	7,083	4,272	2,811
Total Borrowings - Unsecured	10,000	10,135	(135)
Total Borrowings	337,940	380,270	(42,330)

Total borrowings decreased by \$42.3 million from \$380.2 million as at 31 December 2018 to \$337.9 million as at 31 December 2019 due to a \$42.2 million decrease in secured borrowings. The decrease in total borrowings was due to the repurchase of secured bonds, a \$4.3 million foreign exchange impact as most of the secured bank loans are denominated in a foreign currency, loan repayments of \$2.9 million and a decrease of \$1.2 million mainly due to reversal of deferred finance costs that were over accrued in prior years.

The amount of current borrowings due within the next twelve months increased \$0.4 million from \$11.6 million as at 31 December 2018 to \$12.0 million as at 31 December 2019 mainly due to reclassification of secured bonds from non-current borrowings to current borrowings offset against the reclassification of unsecured and secured loans from current to non-current borrowings after amendments to their repayment schedules. The Group currently has an in-principle debt moratorium on the principal and interest on secured bank loans with carrying amounts of US\$242.2 million. The in-principle moratorium, dated 27 August 2019, expires on 31 July 2020 and implies that the repayment of certain loan principals and interests are currently deferred.

The amount of non-current borrowings due after more than one year decreased \$42.7 million from \$368.6 million as at 31 December 2018 to \$325.9 million as at 31 December 2019 mainly due to the secured bond repurchase and reclassification of the remaining secured bonds to current borrowings as described above, offset by the amendments to the repayment schedule mentioned above and the foreign exchange impacts.

Within current liabilities, trade and other payables decreased \$0.9 million from \$23.8 million as at 31 December 2018 to \$22.9 million as at 31 December 2019. The decrease was mainly due to a reduction in accrued interest expenses of \$3.9 million and accrued operating expenses of \$2.8 million, offset by a \$4.5 million increase in trade creditors arising from the new contracts started in the third and fourth quarters of FY2019 and a special periodic survey of a jack-up drilling rig as mentioned above, a \$0.5 million increase in withholding tax payable, a \$0.4 million increase in sundry creditors and a \$0.3 million increase in other payables.

Within non-current liabilities, trade and other payables increased \$11.5 million from \$0.6 million as at 31 December 2018 to \$12.1 million as at 31 December 2019 mainly due to an \$11.4 million increase in accrued interest. The increase in accrued interest was mainly due to amendments in the loan agreements leading to a reclassification from current to non-current liabilities.

Following the termination of the rig construction contracts in FY2019, the Group ceases to have capital commitments of \$256.4 million and \$229.3 million for assets under construction, as previously reported.

Going Concern

As at 31 December 2019, the Group and Company were in a net current liability position (current liabilities exceeded current assets) of \$15.6 million and \$9.2 million respectively. As at 31 December 2018, the Group and Company were in a net current liability position (current liabilities exceeded current assets) of \$18.3 million and \$2.5 million respectively.

In addition, as at 31 December 2019, the Group and Company were in a net liability position (total liabilities exceeded total assets) of \$71.6 million and \$27.2 million respectively.

The Board believes the Group will continue as a going concern and the financial statements for the 12-months ended 31 December 2019 are prepared on a going concern basis, the validity of which is premised on the continuing availability of credit facilities to the Group for at least another twelve months from the reporting date, and the sufficiency of cash flows to be generated from the Group's operating activities.

Although the Group expects the overall operating environment to remain challenging in the next twelve months, it anticipates generating positive cash flows from existing contracts and prospective contracts. The operating cash flow forecast is derived from the operations cash flow forecast, the forecast for other operating costs and the forecast for changes in working capital which are continuously reviewed by management. The Group shall continue to work closely with its bankers to allow the Group to meet its debt obligations as and when they fall due.

In view of the continuing credit facilities being made available to the Group, for at least another twelve months from the reporting date the Group believes that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate.

Notwithstanding the above cash flow analysis, management acknowledges that there remain uncertainties over the ability of the Group to generate the necessary cash flows to meet its debt obligations. These uncertainties include:

- The eventual conclusion and timing of execution of rig charter contracts currently subject to on-going negotiations with prospective customers;
- The successful continuation of plans to divest surplus assets held in inventory; and
- The successful completion of the in-principal debt moratorium.

The Board confirms the going concern basis remains premised on the continuing availability of credit facilities to the Group for at least another twelve months from the reporting date, and the sufficiency of cash flows to be generated from the Group's operating activities and surplus asset divestments.

Management has critically assessed the cash flow forecast of the Group for the next twelve months and has concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future, subject to successful completion of the stated plans. The Board is therefore of the opinion that the Group will continue as a going concern as these stated plans remain on track.

The Board's opinion is the Company's securities should not be suspended pursuant to Listing Rule 1303(3).

The Board of the Company confirms that sufficient information has been disclosed in the Announcement for the trading of the Company's securities to continue in an orderly manner as to the best of their knowledge, all material disclosures have been provided for trading of the Company's shares to continue.

STATEMENT OF CASH FLOWS REVIEW

As at 31 December 2019, cash and cash equivalents less the bank overdraft amounted to negative \$1.2 million (31 December 2018: positive \$12.1 million), of which unpledged cash and cash equivalents amounted to negative \$1.5 million (31 December 2018: positive \$10.0 million).

Cash Flow from Operating Activities

Operating activities incurred a net cash outflow of \$7.6 million for the year ended 31 December 2019. The net cash outflow from operating activities comprised a cash inflow of \$1.4 million arising due to operating profit before changes in working capital; a cash outflow of \$8.8 million arising due to changes in working capital; and a cash outflow of \$0.2 million arising due to income taxes paid.

Cash Flow from Investing Activities

The net cash flow from investing activities amounted to an outflow of \$1.2 million for the year ended 31 December 2019. This was mainly due to the acquisition of plant and equipment which incurred cash outflow of \$4.7 million; offset with the refund of deposit paid of \$2.7 million, proceeds from disposal of plant and equipment of \$0.7 million and the interest received of \$0.1 million.

Cash Flow from Financing Activities

The net cash flow from financing activities amounted to an outflow of \$2.8 million for the year ended 31 December 2019. This was mainly due to the repayment of bank loans during FY2019 of \$2.8 million, the interest paid during FY2019 of \$1.9 million, the repayment of related party loans of \$0.1 million and the payment of transaction costs of bank loans of \$0.1 million; offset with a reduction of deposits pledged which generated a cash inflow of \$1.8 million and proceeds from a loan from related party of \$0.3 million.

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

No forecast was made. However, in our full-year 2018 results announcement released on 27 February 2019, the Group disclosed that it expects to secure additional work for its rigs in South East Asia over the course of the year ahead with contract values of at least US\$30 million. During FY2019, the Group has secured future work for its rigs in South East Asia and the Middle East with a combined value of US\$47.2 million (please refer to the announcements dated 22 February, 4 April, 28 June, 16 July 2019 and 19 December 2019 for more details).

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

The overall trend in oil prices indicates the probability of a better business environment for the offshore services sector. If this trend sustains, it would be reasonable to expect opportunities to eventuate for companies such as KS Energy at least through the medium term. The Group shall continue to manage its balance sheet to improve its financial position.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the current financial reporting period due to the lack of distributable funds.

13. Interested persons transaction

The Group has the following interested person transactions (“IPT”) for the twelve months of the financial year ended 31 December 2019:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders’ mandates pursuant to Rule 920 during the financial year under review (excluding transactions less than \$100,000)
<ul style="list-style-type: none"> Bond purchase from Pacific One Energy Limited through issuance and allotment of new ordinary shares approved by shareholders at the EGM held on 18 April 2019 	SGD 21,500,000	
<ul style="list-style-type: none"> Bond purchase from Ms. Hedy Wiluan through issuance and allotment of new ordinary shares approved by shareholders at the EGM held on 18 April 2019 	SGD 9,500,000	
<ul style="list-style-type: none"> Tenancy Agreement with PT Kabil Indonusa Estate for Warehouse and open yard rental (announced on 12 November 2019 pursuant to Rule 916(1) of the Listing Manual. The tenancy agreement and the tenancy thereunder will not require the approval of the shareholders of the Company as it is for a period of not more than three (3) years and is supported by an independent valuation report.) 	SGD 165,651	
<p>PT KS Drilling Indonesia and its subsidiaries (“JVC Group”)</p>		
<ul style="list-style-type: none"> Expected additional interest income on Financing ⁽²⁾ 		SGD 3,907,079
<ul style="list-style-type: none"> Injection of shareholders’ loans pursuant to the Financing provided by KS Drilling to JVC Group ⁽²⁾ 		SGD 2,617,537
<ul style="list-style-type: none"> The net amount of provision of management, technical and support services 		SGD 1,473,347
<ul style="list-style-type: none"> Chartering fees arising in relation to the charter contract announced on 28 June 2019 		SGD 2,683,763

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandates pursuant to Rule 920 during the financial year under review (excluding transactions less than \$100,000)
<p><u>Additional information pursuant to the JVC IPT Mandate:</u></p> <ul style="list-style-type: none"> • <i>Injection of funds by KS Drilling to JVC Group</i> • <i>Total outstanding amount due from JVC Group on Additional Loan including accrued interest thereon as at the end of period ⁽¹⁾</i> • <i>Total outstanding amount due from JVC Group for rig management fees and other services as at the end of period</i> • <i>Total outstanding amount due from JVC Group including loan principal, accrued interest and guarantee fees as at the end of period ⁽²⁾</i> 	<p style="text-align: center;"><i>USD 2,061,784</i></p> <p style="text-align: center;"><i>USD 312,768</i></p>	<p style="text-align: center;"><i>USD 2,458,831</i></p> <p style="text-align: center;"><i>USD 1,356,819</i></p> <p style="text-align: center;"><i>USD 55,222,510</i></p>

(1) On 22 January 2016, PT Java Star Rig (“PT JSR”, a subsidiary of PT KS Drilling Indonesia) was notified that its appeal had been rejected, and the Ministry of Finance of the Republic of Indonesia – Directorate General Customs and Excise commenced the process to call upon the Customs Bond. The Insurer paid the amount due under the Customs Bond, and subsequently called on the Guarantee. The funds were disbursed pursuant to the Guarantee on 4 February 2016. As a result, a debt arose between KS Drilling as creditor and PT JSR as debtor (the “Additional Loan”). The Additional Loan has been charged to PT JSR at an interest rate of 7.0% per annum (please refer to the announcement dated 1 March 2016 for more details) and the principal amount outstanding as at 31 December 2019 was US\$0.2 million. The Company released an update announcement dated 21 June 2018.

(2) With reference to the IPT Mandate approved by shareholders at the EGM held on 7 December 2012 and the Circular dated 22 November 2012, which was reapproved by shareholders at the AGM held on 26 April 2019, the Group provided funding for the purchase of Rigs and Equipment which has been provided by way of shareholder guarantees and shareholder loans (the “Financing”) to JVC Group. The shareholder loans provided under such Financing by KS Drilling Pte Ltd (“KS Drilling”), an 80.09% subsidiary of the Company, to PT JSR, accrue interest at a rate of 7% per year and the principal amount outstanding as at 31 December 2019 was US\$40.3 million which has been used to finance the acquisition of the jack-up rig named “KS Java Star” and additional equipment required by the rig. Included in the US\$40.3 million balance is US\$2.5 million that has been advanced during the current financial year to 31 December 2019.

14. Negative confirmation pursuant to Rule 705 (5)

Not applicable

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors, the chief executive officer and chief financial officer.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Primary reporting format - business segment

Business segments	Drilling		Engineering		Distribution*		Others		Inter-segment Adjustments		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	31,238	50,617	1,038	832	–	–	–	–	–	–	32,276	51,449
Inter-segment revenues	–	–	102	–	–	–	–	–	(102)	–	–	–
Total revenue	31,238	50,617	1,140	832	–	–	–	–	(102)	–	32,276	51,449
Finance income	65	143	–	1	–	–	3,504	2,454	–	(7)	3,569	2,591
Finance costs	(7,273)	(12,381)	(2)	(9)	–	–	(1,723)	(6,533)	–	7	(8,998)	(18,916)
Reportable segment loss before income tax	(105,797)	(55,785)	564	620	–	–	440	2,144	1,109	4,790	(103,684)	(48,231)
Share of results of joint ventures	–	–	–	–	–	(9,226)	–	–	–	–	–	(9,226)
Consolidated loss before tax	(105,797)	(55,785)	564	620	–	(9,226)	440	2,144	1,109	4,790	(103,684)	(57,457)
Income tax	(763)	(1,070)	–	–	–	–	29	4,588	–	–	(734)	3,518
Other material non-cash items:												
Depreciation of plant and equipment	28,908	29,637	11	24	–	–	6	97	–	–	28,925	29,758
Amortisation of intangible assets	–	108	1	8	–	–	–	–	–	–	1	116
Impairment loss for receivables	–	8	–	–	–	–	–	–	–	–	–	8
Impairment loss on rigs	16,627	1,793	–	–	–	–	–	–	–	–	16,627	1,793
Write-back of impairment loss on investment in joint venture**	–	–	–	–	–	–	–	(9,904)	–	–	–	(9,904)
Foreign exchange loss (net)	93	1,374	20	–	–	–	18	398	–	–	131	1,772
(Gain)/Loss on disposal of plant and equipment and equipment	(653)	2,021	–	–	–	–	–	–	–	–	(653)	2,021
Plant and equipment written off	–	–	(4)	–	–	–	(14)	–	–	–	(18)	–
Assets under construction written off	(54,974)	–	–	–	–	–	–	–	–	–	(54,974)	–
Adjustment for over provision of tax in respect of prior years	(118)	(377)	–	–	–	–	(30)	(4,570)	–	–	(148)	(4,947)

* The results from Distribution segment (from January 2018 to November 2018) are accounted for using the equity method since it is a joint venture.

** This amount relates to the Group's impairment of investment in joint venture, which has been disposed off on 11 December 2018.

Business segments	Drilling		Engineering		Distribution*		Others		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets and liabilities										
Reportable segment assets	307,028	410,238	1,997	1,619	–	–	56	1,202	309,081	413,059
Deferred tax assets	548	555	–	–	–	–	–	–	548	555
Total assets	307,576	410,793	1,997	1,619	–	–	56	1,202	309,629	413,614
Reportable segment liabilities	367,795	366,093	1,290	1,418	–	–	7,995	40,700	377,080	408,211
Provision for tax	3,134	3,195	2	2	–	–	–	–	3,136	3,197
Deferred tax liabilities	1,011	1,023	–	–	–	–	–	30	1,011	1,053
Total liabilities	371,940	370,311	1,292	1,420	–	–	7,995	40,730	381,227	412,461
Other segment information										
Capital expenditure	7,027	920	69	–	–	–	–	4	7,096	924

* The results from Distribution segment (from January 2018 to November 2018) are accounted for using the equity method since it is a joint venture.

Secondary reporting format – geographical segments

	Revenue		Other non-current assets		Capital expenditure	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Singapore	964	739	416	42	426	12
The People's Republic of China	–	–	–	64,212	–	314
Egypt	1,494	4,472	13,371	19,238	–	430
Pakistan	–	339	–	9,116	–	–
Vietnam	22,225	16,523	195,536	205,362	478	161
Indonesia	7,541	29,297	74,105	91,752	6,192	7
Other countries	52	79	–	–	–	–
	32,276	51,449	283,428	389,722	7,096	924

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

Refer paragraph 8 above.

18. A breakdown of sales

Group			
	2019	2018	Increase/ (decrease)
	\$'000	\$'000	
First Half			
(a) Revenue	10,479	28,856	(63.7%)
(b) Loss after tax before deducting non-controlling interests	(73,077)	(29,492)	>100%
Second Half			
(a) Revenue	21,797	22,593	(3.5%)
(b) Loss after tax before deducting non-controlling interests	(31,341)	(24,447)	28.2%

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

Not applicable.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

List of Persons occupying Managerial Positions who are related to a Director or Chief Executive Officer or Substantial Shareholder of KS Energy Limited and any of its principal subsidiaries:

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Kris Taenar Wiluan	71	<p>Father of Richard James Wiluan and father-in-law of Samuel Paul Oliver Carew-Jones.</p> <p>Deemed interested in the shares owned by Pacific One Energy Limited, a controlling shareholder of the Company.</p>	<p><u>KS Energy Limited:</u></p> <p>Executive Chairman & Chief Executive Officer of KS Energy Limited since 2006.</p>	
Richard James Wiluan	41	<p>Son of Kris Taenar Wiluan, who is the Executive Chairman & Chief Executive Officer of KS Energy Limited.</p> <p>Deemed interested in the shares owned by Pacific One Energy Limited, a controlling shareholder of the Company.</p>	<p><u>KS Energy Limited</u></p> <p>Appointed as an Executive Director of the Company on 1 May 2014.</p> <p><u>KS Drilling Pte Ltd</u></p> <p>Appointed as Chief Executive Officer of KS Drilling Pte Ltd with effect from 1st September 2019.</p>	<p><u>KS Drilling Pte Ltd</u></p> <p>Appointed as Chief Executive Officer of KS Drilling Pte Ltd with effect from 1st September 2019.</p>
Samuel Paul Oliver Carew-Jones	45	<p>Son-in-law of Kris Taenar Wiluan, who is the Executive Chairman & Chief Executive Officer of KS Energy Limited.</p>	<p><u>KS Energy Limited:</u></p> <p>Chief Financial Officer of the Group since 1 October 2012.</p> <p>Responsible for overseeing the accounting and finance matters of the Company.</p> <p>Appointed as an Executive Director and Deputy Chief Executive Officer of the Company on 15 August 2018.</p>	

BY ORDER OF THE BOARD

**Marilyn Tan Lay Hong
Joint Company Secretary**

26 February 2020