HONG LEONG ASIA LTD. (REGISTRATION NO. 196300306G)

Unaudited Second Quarter And Half Year Financial Statement For The Period Ended 30 June 2018

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

The Board of Directors announces the results of the Group for the second quarter ("2Q") and half year ended 30 June ("1H") 2018. These figures have not been audited or reviewed.

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

1(a)(i) Income statement

			Group			
	2Q 2018 $'000	**2Q 2017 $'000 (Restated)**	**+/- %**	**1H 2018 $'000**	**1H 2017 $'000 (Restated)**	**+/- %**
Continuing operations						
Revenue	997,663	938,466	6.3%	2,016,064	1,978,272	1.9%
Cost of sales	(818,593)	(773,758)	5.8%	(1,640,414)	(1,619,577)	1.3%
Gross profit	**179,070**	**164,708**	**8.7%**	**375,650**	**358,695**	**4.7%**
Other income	10,181	11,410	-10.8%	22,379	22,745	-1.6%
Selling and distribution expenses	(66,268)	(66,128)	0.2%	(122,496)	(119,552)	2.5%
Research and development costs	(33,056)	(23,480)	40.8%	(58,427)	(49,410)	18.2%
General and administrative expenses	(36,525)	(41,610)	-12.2%	(80,121)	(79,747)	0.5%
Finance costs	(8,921)	(7,015)	27.2%	(17,416)	(15,727)	10.7%
Other expenses	(1,720)	(533)	222.7%	(2,330)	(695)	235.3%
Profit from continuing operations	**42,761**	**37,352**	**14.5%**	**117,239**	**116,309**	**0.8%**
Share of results of associates and joint ventures, net of tax	159	840	-81.1%	2,166	(634)	NM
Profit before tax from continuing operations	**42,920**	**38,192**	**12.4%**	**119,405**	**115,675**	**3.2%**
Income tax expense	(10,484)	(9,663)	8.5%	(28,036)	(26,898)	4.2%
Profit from continuing operations, net of tax	**32,436**	**28,529**	**13.7%**	**91,369**	**88,777**	**2.9%**
Discontinued operation						
Loss from discontinued operation, net of tax	(37,042)	(22,765)	62.7%	(56,136)	(48,219)	16.4%
(Loss)/profit for the period	**(4,606)**	**5,764**	**NM**	**35,233**	**40,558**	**-13.1%**
Attributable to:						
Owners of the Company						
Profit from continuing operations, net of tax	3,606	2,502	44.1%	15,328	15,592	-1.7%
Loss from discontinued operation, net of tax	(36,565)	(20,476)	78.6%	(53,750)	(43,423)	23.8%
	(32,959)	**(17,974)**	83.4%	**(38,422)**	**(27,831)**	38.1%
Non-controlling interests						
Profit from continuing operations, net of tax	28,830	26,027	10.8%	76,041	73,185	3.9%
Loss from discontinued operation, net of tax	(477)	(2,289)	-79.2%	(2,386)	(4,796)	-50.3%
	28,353	**23,738**	19.4%	**73,655**	**68,389**	7.7%

Note:

(a) *Near 90% of the Group's total revenue is generated from its businesses in China. For the quarter ended 30 June, translation of income statement from Renminbi ("RMB") to Singapore dollar ("SGD") has been made at the average exchange rate of RMB4.7916 = SGD1.00 for 2Q 2018 and RMB4.8948 = SGD1.00 for 2Q 2017. For 2Q 2018, RMB appreciated about 2.1% as compared to 2Q 2017.*

For the half year ended 30 June, translation of income statement from RMB to SGD has been made at the average exchange rate of RMB4.7935 = SGD1.00 for 1H 2018 and RMB4.8817 = SGD1.00 for 1H 2017. For 1H 2018, RMB appreciated about 1.8% as compared to 1H 2017.

(b) Discontinued operation - As reported in the Company's announcement on 26 June 2018, Henan Xinfei Household Appliance Co. Ltd., Henan Xinfei Refrigeration Appliances Co., Ltd. and Henan Xinfei Electric Co., Ltd. (collectively, the "Xinfei Companies") had ceased to be subsidiaries of the Group with effect from 21 May 2018. On 6 August 2018, the Company further announced the completion of the equity transfer of the shares in each of the Xinfei Companies.

As required by the Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Xinfei Companies were de-consolidated from the Group. The de-consolidation involved de-recognition of the assets and liabilities of the Xinfei Companies and recognition of other related obligations. The financial effect of the de-consolidation was a loss of $32.3 million which was recognised in 2Q 2018.

The operating performance of the Xinfei Companies, together with the net loss on de-consolidation of $32.3 million, has been presented separately under "discontinued operations" on the income statement. As a result, loss from discontinued operation was $37.0 million and $56.1 million in 2Q 2018 and 1H 2018 respectively. Comparative figures have been restated to conform to current period's presentation.

1(a)(ii) Notes to the income statement

	Group					
Profit before tax from continuing operations include the following:	**2Q 2018 $'000**	**2Q 2017 $'000**	**+/- %**	**1H 2018 $'000**	**1H 2017 $'000**	**+/- %**
(Loss)/gain on disposal of property, plant and equipment (1)	(177)	442	NM	53	1,366	-96.1%
Impairment losses written back/(recognised) for trade and other receivables, net (2)	1,160	(145)	NM	1,479	463	219.4%
Allowance made for inventories obsolescence, net (3)	(182)	(87)	109.2%	(18)	(242)	-92.6%
Depreciation and amortisation (4)	(28,073)	(28,788)	-2.5%	(55,884)	(58,180)	-3.9%
Foreign exchange (loss)/gain, net (5)	(1,543)	1,133	NM	(2,003)	4,350	NM
Fair value loss on derivatives, net (6)	-	(533)	NM	-	(694)	NM
Interest expense (7)	(8,519)	(6,737)	26.5%	(16,750)	(15,171)	10.4%
Interest income (8)	8,139	6,916	17.7%	16,931	11,642	45.4%
Write-off of property, plant & equipment (9)	(204)	(522)	-60.9%	(343)	(1,285)	-73.3%

NM: Not meaningful

(1) Net (loss)/gain on disposal of property, plant and equipment was attributed mainly to the Group's Diesel Engines Unit ("**Yuchai**").

(2) Net impairment losses written back/(recognised) for trade and other receivables were attributed mainly to Yuchai.

(3) Net allowance for inventories obsolescence in 2Q 2018 was attributed mainly to the Group's Air-conditioning Systems Unit ("Airwell").

Net allowance for inventories obsolescence in 1H 2018 was attributed mainly to Airwell, which was partially offset by the reversal of allowance for inventories obsolescence by Yuchai. Net allowance for inventories obsolescence in 1H 2017 was attributed mainly to Airwell.

(4) Depreciation and amortisation recorded in both comparative periods in 2018 were comparable to 2017.

(5) The net foreign exchange loss of $1.5 million in 2Q 2018 was mainly due to foreign exchange loss on revaluation of Singapore dollar ("**SGD**") assets in China Yuchai International Limited ("**CYI**") (with functional currency in United States dollar ("**USD**")).

In 2Q 2017, the net foreign exchange gain of $1.1 million was mainly due to foreign exchange gain on revaluation of SGD assets in CYI.

In 1H 2018, together with the net foreign exchange loss of $0.5 million in the first quarter ("1Q") of 2018, the resulted net foreign exchange loss was $2.0 million.

(6) In 2Q 2018, there was no derivative, therefore, there was no corresponding fair value adjustment in 2Q 2018. Net fair value loss on derivatives in 2017 (for hedging against foreign currency risk) mainly arose from forward foreign exchange contract in Yuchai.

(7) The increase in interest expense in 2Q 2018 was mainly due to higher borrowings and bills discounting in Yuchai. The increase in interest expense in 1H 2018 was mainly due to higher borrowings in Yuchai.

(8) The increases in interest income in 2Q 2018 and 1H 2018 were mainly due to higher interest income from bank deposits in Yuchai.

(9) The write-offs of property, plant and equipment in 2Q 2018 and 1H 2018 were mainly recorded by Yuchai.

1(a)(iii) Amount of any adjustment for under or overprovision of tax in respect of prior years

In 2Q 2018, the Group's tax charge included additional provision of $3,000 for prior years (2Q 2017: additional provision of $5,000 for prior years).

1(a)(iv) Statement of Comprehensive Income

	Group					
	2Q 2018 $'000	**2Q 2017 $'000 (Restated)**	**+/- %**	**1H 2018 $'000**	**1H 2017 $'000 (Restated)**	**+/- %**
(Loss)/profit for the period	**(4,606)**	**5,764**	**NM**	**35,233**	**40,558**	**-13.1%**
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss						
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(16,019)	1,903	NM	17,938	(47,464)	NM
Net fair value changes of financial assets	1,130	(187)	NM	10,573	164	6347.0%
Realisation of reserves upon de-consolidation of subsidiaries	(10,480)	-	NM	(10,480)	-	NM
Exchange differences on monetary items forming part of net investment in foreign entities	(538)	132	NM	2,911	(5,525)	NM
Total other comprehensive income for the period, net of tax	**(25,907)**	**1,848**	**NM**	**20,942**	**(52,825)**	**NM**
Total comprehensive income for the period	**(30,513)**	**7,612**	**NM**	**56,175**	**(12,267)**	**NM**
Attributable to:						
Owners of the Company	(87,659)	(15,957)	449.3%	(77,604)	(45,193)	71.7%
Non-controlling interests	57,146	23,569	142.5%	133,779	32,926	306.3%
Total comprehensive income for the period	**(30,513)**	**7,612**	**NM**	**56,175**	**(12,267)**	**NM**

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

$'000	Group 30.06.2018	Group 31.12.2017 (Restated)	Company 30.06.2018	Company 31.12.2017
Non-current assets				
Property, plant and equipment	923,339	1,005,664	54	78
Land use rights	109,996	128,882	-	-
Intangible assets	8,190	52,293	125	138
Investment in subsidiaries	-	-	202,955	202,955
Interests in associates	45,319	47,043	13,726	13,726
Interests in joint ventures	43,037	40,153	-	-
Investment property	1,533	1,522	-	-
Other investments	4,263	5,202	-	-
Deferred tax assets	67,666	65,345	-	-
Non-current receivables	2,037	8,375	34,455	166,843
Long-term deposits	18,558	14,336	-	-
	1,223,938	**1,368,815**	**251,315**	**383,740**
Current assets				
Inventories	483,094	631,817	-	-
Development properties	4,123	4,881	-	-
Trade and other receivables	1,885,786	1,714,744	247,493	216,088
Other investments	5,061	5,061	-	-
Cash and short-term deposits	1,428,535	1,363,934	18,483	19,161
	3,806,599	**3,720,437**	**265,976**	**235,249**
Total assets	**5,030,537**	**5,089,252**	**517,291**	**618,989**
Current liabilities				
Trade and other payables	1,879,881	1,835,046	85,456	18,865
Provisions	48,569	53,017	-	-
Loans and borrowings	596,565	677,709	129,259	175,075
Current tax payable	11,584	12,749	5	15
	2,536,599	**2,578,521**	**214,720**	**193,955**
Net current assets	**1,270,000**	**1,141,916**	**51,256**	**41,294**
Non-current liabilities				
Loans and borrowings	277,712	217,701	266,900	200,000
Deferred tax liabilities	32,929	41,497	2,100	2,100
Deferred grants	76,904	70,674	-	-
Other non-current payables	39,438	37,625	-	-
Retirement benefit obligations	2	1	-	-
	426,985	**367,498**	**269,000**	**202,100**
Total liabilities	**2,963,584**	**2,946,019**	**483,720**	**396,055**
Net assets	**2,066,953**	**2,143,233**	**33,571**	**222,934**
Equity attributable to owners of the Company				
Share capital	266,830	266,830	266,830	266,830
Reserves	262,896	349,101	(233,259)	(43,896)
	529,726	615,931	33,571	222,934
Non-controlling interests	1,537,227	1,527,302	-	-
Total equity	**2,066,953**	**2,143,233**	**33,571**	**222,934**
Total equity and liabilities	**5,030,537**	**5,089,252**	**517,291**	**618,989**

Explanatory Notes to Statement of Financial Position

Group

- Non-current assets: The decrease in non-current assets was mainly due to lower property, plant and equipment, land use rights and intangible assets resulting from the de-consolidation of the Xinfei Companies during 2Q 2018.

- Current assets: The increase in current assets was mainly due to higher trade and other receivables and cash and short-term deposits at 30 June 2018. This was partially offset by lower inventories holding at quarter-end.

- Current liabilities: The decrease in current liabilities was mainly due to reduction in short-term loans and borrowings at 30 June 2018.

- Non-current liabilities: The increase in non-current liabilities was mainly due to higher long-term loans and borrowings by the Company at 30 June 2018.

Company

- Non-current assets: The decrease in non-current assets was mainly due to impairment of receivables of $133.0 million due from subsidiaries during 2Q 2018.

- Current assets: The increase in current assets was mainly due to dividend receivables from subsidiaries.

- Current liabilities: The increase in current liabilities was mainly due to recognition of obligations related to the de-consolidation of the Xinfei Companies, which was partially offset by lower short-term loans and borrowings at 30 June 2018.

- Non-current liabilities: The increase in non-current liabilities was mainly due to higher long-term loans and borrowings by the Company at 30 June 2018.

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

Amount repayable in one year or less, or on demand

As at 30.06.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
$12,168,712	$584,396,000	$11,887,758	$665,821,000

Amount repayable after one year

As at 30.06.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
$7,812,294	$269,899,798	$14,700,714	$202,999,886

Details of any collateral

The secured banking facilities of the Group, comprising term loans, are secured on the assets of certain subsidiaries with a total carrying value as at 30 June 2018 of $52,407,000 (31 December 2017: $51,193,000).

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

	2Q 2018 $'000	2Q 2017 $'000 (Restated)	1H 2018 $'000	1H 2017 $'000 (Restated)
Operating activities				
Profit before income tax from continuing operations	42,920	38,192	119,405	115,675
Loss before income tax from discontinued operation	(37,042)	(22,765)	(56,136)	(48,219)
Adjustments for:				
Share of results of associates and joint ventures, net of tax	(159)	(840)	(2,166)	634
Cost of share-based payments	-	141	-	282
Depreciation and amortisation	28,363	31,341	56,670	64,646
Allowance recognised for inventories obsolescence	768	730	1,145	2,587
Impairment losses written back/(recognised) for trade and other receivables	(1,143)	1,402	(1,222)	842
Property, plant and equipment written off	204	522	343	1,285
Finance costs	8,921	8,465	17,606	18,903
Dividend income from other investments	(243)	(29)	(243)	(29)
Interest income	(8,139)	(6,926)	(16,942)	(11,662)
Loss on de-consolidation of subsidiaries	32,277	-	32,277	-
Loss/(gain) on disposal of property, plant and equipment	177	(439)	(53)	(1,363)
Fair value gain on investments	(610)	(672)	(1)	(978)
Fair value loss on derivatives	-	533	-	694
Provision for warranties and other costs, net	17,784	21,601	27,427	36,621
Operating profit before working capital changes	84,078	71,256	178,110	179,918
Changes in working capital:				
Inventories and development properties	107,143	29,417	117,813	(11,881)
Trade and other receivables	161,757	51,789	(228,460)	(278,788)
Trade and other payables	3,915	(2,671)	64,148	215,273
Grant received from government	678	1,683	7,091	1,998
Provisions utilised	(11,509)	(22,024)	(25,942)	(29,543)
Cash flows from operations	346,062	129,450	112,760	76,977
Income tax paid	(22,017)	(18,565)	(31,574)	(34,486)
Cash flows from operating activities	324,045	110,885	81,186	42,491
Investing activities				
Additional investment in joint ventures	-	-	(1,006)	(5,135)
Deposit collected from the disposal of a subsidiary	-	4,025	-	4,025
Dividends received from associates and joint ventures	2,954	654	2,954	1,602
Dividends received from other investments	243	29	243	29
Interest received	7,938	7,334	16,512	12,114
Net release of deposits with banks	22,950	4,589	5,856	5,252
Purchase of:				
- property, plant and equipment	(20,166)	(16,792)	(41,048)	(39,064)
- intangible assets	(156)	(39)	(305)	(860)
- other investments	(362)	(3,048)	(1,146)	(3,048)
Net cashflow on de-consolidation of subsidiaries	(5,201)	-	(5,201)	-
Proceeds from disposal of property, plant and equipment	885	822	899	1,586
Net cash flows from/(used in) investing activities	9,085	(2,426)	(22,242)	(23,499)
Financing activities				
Acquisition of non-controlling interests	-	(271)	-	(271)
Dividends paid to non-controlling interests of subsidiaries	(18,519)	(23,109)	(30,280)	(23,109)
Dividends paid to shareholders of the Company	-	(3,739)	-	(3,739)
Interest paid	(11,048)	(8,405)	(19,681)	(18,708)
Proceeds from borrowings	73,298	158,345	363,123	447,496
Repayment in respect of borrowings	(31,691)	(103,239)	(305,379)	(270,439)
Repayment of obligation under finance leases	(247)	(762)	(485)	(1,492)
Net cash flows from financing activities	11,793	18,820	7,298	129,738
Net increase in cash and cash equivalents	344,923	127,279	66,242	148,730
Cash and cash equivalents at beginning of the period	1,006,520	946,604	1,262,104	945,171
Effect of exchange rate changes on balances held in foreign currencies	(15,539)	741	7,558	(19,277)
Cash and cash equivalents at end of the period	1,335,904	1,074,624	1,335,904	1,074,624
Comprising:				
Cash and short-term deposits			1,428,535	1,151,827
Less: Bank overdraft			-	(334)
Less: Short-term deposits and restricted deposits			(92,631)	(76,869)
			1,335,904	1,074,624

The attributable net assets of subsidiaries de-consolidated during the period are as follows:

	2Q 2018 $'000	2Q 2017 $'000	1H 2018 $'000	1H 2017 $'000
De-consolidation of subsidiaries				
Non-current assets	127,410	-	127,410	-
Net current liabilities	(77,671)	-	(77,671)	-
Non-current liabilities	(6,982)	-	(6,982)	-
Non-controlling interests	38,435	-	38,435	-
Realisation of reserves	(48,915)	-	(48,915)	-
Loss on de-consolidation of subsidiaries	(32,277)	-	(32,277)	-
Total cash consideration	-	-	-	-
Less: Cash and cash equivalents of subsidiaries de-consolidated	(5,201)	-	(5,201)	-
Net cashflow on de-consolidation of subsidiaries	(5,201)	-	(5,201)	-

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

Statement of Changes in Equity	**Share capital $'000**	**Capital reserve $'000**	**Statutory reserve $'000**	**Fair value reserve $'000**	**Share option reserve $'000**	**Translation reserve $'000**	**Surplus/(deficit) on changes of non-controlling interests $'000**	**Reserve of disposal group classified as held for sale $'000**	**Accumulated profits $'000**	**Total attributable to owners of the Company $'000**	**Non-controlling interests $'000**	**Total equity $'000**
The Group												
At 31 December 2016 as previously reported	266,830	4,442	33,369	45,246	4,231	(51,741)	34,775	4,685	356,599	698,436	1,418,918	2,117,354
Adoption of SFRS (I) 15	-	-	-	-	-	(183)	-	-	4,364	4,181	9,910	14,091
Restated balance at 31 December 2016	266,830	4,442	33,369	45,246	4,231	(51,924)	34,775	4,685	360,963	702,617	1,428,828	2,131,445
Adoption of SFRS (I)	-	-	-	-	-	51,924	-	-	(51,924)	-	-	-
Restated balance at 1 January 2017	266,830	4,442	33,369	45,246	4,231	-	34,775	4,685	309,039	702,617	1,428,828	2,131,445
(Loss)/Profit for the period	-	-	-	-	-	-	-	-	(9,857)	(9,857)	44,651	34,794
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(14,073)	-	-	-	(14,073)	(35,294)	(49,367)
Net fair value changes of financial assets	-	-	-	351	-	-	-	-	-	351	-	351
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	-	-	(5,657)	-	-	-	(5,657)	-	(5,657)
Other comprehensive income for the period, net of tax	-	-	-	351	-	(19,730)	-	-	-	(19,379)	(35,294)	(54,673)
Total comprehensive income for the period	-	-	-	351	-	(19,730)	-	-	(9,857)	(29,236)	9,357	(19,879)
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Cost of share-based payments	-	-	-	-	57	-	-	-	-	57	84	141
At 31 March 2017	266,830	4,442	33,369	45,597	4,288	(19,730)	34,775	4,685	299,182	673,438	1,438,269	2,111,707
At 1 April 2017	266,830	4,442	33,369	45,597	4,288	(19,730)	34,775	4,685	299,182	673,438	1,438,269	2,111,707
(Loss)/Profit for the period	-	-	-	-	-	-	-	-	(17,974)	(17,974)	23,738	5,764
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	2,072	-	-	-	2,072	(169)	1,903
Net fair value changes of financial assets	-	-	-	(187)	-	-	-	-	-	(187)	-	(187)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	-	-	132	-	-	-	132	-	132
Other comprehensive income for the period, net of tax	-	-	-	(187)	-	2,204	-	-	-	2,017	(169)	1,848
Total comprehensive income for the period	-	-	-	(187)	-	2,204	-	-	(17,974)	(15,957)	23,569	7,612
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Cost of share-based payments	-	-	-	-	57	-	-	-	-	57	84	141
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(3,739)	(3,739)	-	(3,739)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(54,432)	(54,432)
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests	-	-	-	-	-	-	391	-	-	391	(662)	(271)
At 30 June 2017	266,830	4,442	33,369	45,410	4,345	(17,526)	35,166	4,685	277,469	654,190	1,406,828	2,061,018

1(d)(i) Statement of changes in equity for the periods ended 30 June (cont'd)

Statement of Changes in Equity	Share capital $'000	Capital reserve $'000	Statutory reserve $'000	Fair value reserve $'000	Share option reserve $'000	Translation reserve $'000	Surplus/(deficit) on changes of non-controlling interests $'000	Reserve of disposal group classified as held for sale $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
The Group												
At 31 December 2017 as previously reported	266,830	4,391	33,753	45,859	5,243	(60,354)	35,397	-	286,025	617,144	1,529,645	2,146,789
Adoption of SFRS (I) 15	-	-	-	-	-	(256)	-	-	(957)	(1,213)	(2,343)	(3,556)
Adoption of SFRS (I)	-	-	-	-	-	51,924	-	-	(51,924)	-	-	-
Restated balance at 31 December 2017	266,830	4,391	33,753	45,859	5,243	(8,686)	35,397	-	233,144	615,931	1,527,302	2,143,233
Adoption of SFRS (I) 9	-	-	-	(8,601)	-	-	-	-	-	(8,601)	(19,513)	(28,114)
Restated balance at 1 January 2018	266,830	4,391	33,753	37,258	5,243	(8,686)	35,397	-	233,144	607,330	1,507,789	2,115,119
(Loss)/Profit for the period	-	-	-	-	-	-	-	-	(5,463)	(5,463)	45,302	39,839
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	9,676	-	-	-	9,676	24,281	33,957
Net fair value changes of financial assets	-	-	-	2,393	-	-	-	-	-	2,393	7,050	9,443
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	-	-	3,449	-	-	-	3,449	-	3,449
Other comprehensive income for the period, net of tax	-	-	-	2,393	-	13,125	-	-	-	15,518	31,331	46,849
Total comprehensive income for the period	-	-	-	2,393	-	13,125	-	-	(5,463)	10,055	76,633	86,688
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,761)	(11,761)
At 31 March 2018	266,830	4,391	33,753	39,651	5,243	4,439	35,397	-	227,681	617,385	1,572,661	2,190,046
At 1 April 2018	266,830	4,391	33,753	39,651	5,243	4,439	35,397	-	227,681	617,385	1,572,661	2,190,046
(Loss)/Profit for the period	-	-	-	-	-	-	-	-	(32,959)	(32,959)	28,353	(4,606)
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(4,939)	-	-	-	(4,939)	(11,080)	(16,019)
Net fair value changes of financial assets	-	-	-	(308)	-	-	-	-	-	(308)	1,438	1,130
Realisation of reserves upon de-consolidation of subsidiaries	-	(40)	(18,608)	(34,314)	-	4,047	-	-		(48,915)	38,435	(10,480)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	-	-	(538)	-	-	-	(538)	-	(538)
Other comprehensive income for the period, net of tax	-	(40)	(18,608)	(34,622)	-	(1,430)	-	-	-	(54,700)	28,793	(25,907)
Total comprehensive income for the period	-	(40)	(18,608)	(34,622)	-	(1,430)	-	-	(32,959)	(87,659)	57,146	(30,513)
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(92,580)	(92,580)
Others												
Transfer to statutory reserve	-	-	17	-	-	-	-	-	(17)	-	-	-
At 30 June 2018	266,830	4,351	15,162	5,029	5,243	3,009	35,397	-	194,705	529,726	1,537,227	2,066,953

1(d)(i) Statement of changes in equity for the periods ended 30 June (cont'd)

Statement of Changes In Equity	Share capital $'000	Capital reserve $'000	Share option reserve $'000	Accumulated profits/(losses) $'000	Total equity $'000
The Company					
At 1 January 2017	266,830	9,199	2,467	8,516	287,012
Total comprehensive income for the period	-	-	-	(3,354)	(3,354)
At 31 March 2017	266,830	9,199	2,467	5,162	283,658
At 1 April 2017	266,830	9,199	2,467	5,162	283,658
Total comprehensive income for the period	-	-	-	19,228	19,228
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends paid to shareholders	-	-	-	(3,739)	(3,739)
At 30 June 2017	266,830	9,199	2,467	20,651	299,147
At 1 January 2018	266,830	9,199	2,467	(55,562)	222,934
Total comprehensive income for the period	-	-	-	(6,050)	(6,050)
At 31 March 2018	266,830	9,199	2,467	(61,612)	216,884
At 1 April 2018	266,830	9,199	2,467	(61,612)	216,884
Total comprehensive income for the period	-	-	-	(183,313)	(183,313)
At 30 June 2018	266,830	9,199	2,467	(244,925)	33,571

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

1(d)(ii)(A) Movements in issued and paid-up capital

There were no shares held as treasury shares or subsidiary holdings as at 30 June 2018, 31 December 2017 and 30 June 2017.

There was no change in the Company's issued share capital during the three months ended 30 June 2018.

1(d)(ii)(B) Share Options

There was no option exercised pursuant to the terms of the Hong Leong Asia Share Option Scheme 2000 (the "**Scheme**") during the three months ended 30 June 2018.

As at 30 June 2018, there were a total of 770,000 (30 June 2017: 1,340,000) unissued shares under option granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2011	$3.17	380,000
2014	$1.31	390,000
Total		770,000

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.

The total number of issued ordinary shares as at 30 June 2018 and 31 December 2017 was 373,908,559.

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

There was no sale, transfer, cancellation and/or use of treasury shares/subsidiary holdings during the three months ended 30 June 2018.

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications 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.

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the year ended 31 December 2017, except for the adoption of the new Singapore Financial Reporting Standards (International) ("SFRS(I)") framework and new SFRS(I)s that became effective on 1 January 2018. Please refer to paragraph 5 for further details.

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.

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted the new financial reporting framework and applied the following new accounting standards on 1 January 2018:

- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) 9 *Financial Instruments*

The adoption of the new financial reporting framework and accounting standards did not have any material impact on the financial statements, except as described below:

a) Application of SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)*

On transition to the new financial reporting framework, the Group has elected the option in SFRS(I) 1 to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017.

As a result, the Group reclassified an amount of $51,924,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

b) <u>SFRS(I) 15 *Revenue from Contracts with Customers*</u>

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the changes in accounting policies retrospectively to each reporting period presented, using the full retrospective approach. Accordingly, the comparative figures in the Group's balance sheet as at 31 December 2017 and the Group's income statement for the quarter and half year ended 30 June 2017 have been restated to reflect the retrospective adjustments upon adoption of SFRS(I) 15.

Warranty obligations

Under SFRS(I) 15, the Group accounts for a service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the consideration allocated to the service-type warranty is initially recorded as a contract liability and recognised as revenue over the period the warranty services are provided.

As a result, the Group's income statements were restated as follows:

<u>2Q 2017</u>

- Revenue decreased by $4,235,000 to $938,466,000.
- Cost of sales increased by $1,619,000 to $773,758,000.
- Selling and distribution expenses decreased by $6,489,000 to $66,128,000.

<u>1H 2017</u>

- Revenue decreased by $5,649,000 to $1,978,272,000.
- Cost of sales increased by $13,489,000 to $1,619,577,000.
- Selling and distribution expenses decreased by $19,644,000 to $119,552,000.

The Group recorded an adjustment to decrease the opening retained earnings as at 1 January 2017 by $1,393,000 for service-type warranty before 1 January 2017.

Performance obligation

Under FRS 18 Revenue, the sale of a certain intangible asset amounting to $23,521,000 was recognised in the fourth quarter of 2017 as other income, as the requirement for the production milestone was fulfilled. With the adoption of SFRS(I) 15, management has reviewed and concluded that the Group had significantly performed its obligations in 2015, and the profit arising from the sale of intangible asset would have to be adjusted to the opening retained earnings as at 1 January 2017.

As a result, the Group recorded an adjustment to increase the opening retained earnings as at 1 January 2017 by $5,757,000.

c) <u>SFRS(I) 9 *Financial Instruments*</u>

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The new impairment requirements in SFRS(I) 9 are based on an expected credit loss model.

With the adoption of SFRS(I) 9, the Group measures bill receivables at fair value through other comprehensive income. The Group receives bill receivables as trade settlement and routinely sells some of the bills receivables before their maturity.

As a result, the Group recorded a decrease in bill receivables and equity of $28,114,000 as at 1 January 2018. Applying the exemption in SFRS(I) 1, comparative information in the financial statements has not been restated.

In summary, the resultant effect of the restatements on the Group's income statements was as follows:

<u>2Q 2017</u>

- Revenue was adjusted from $942,701,000 to $938,466,000.
- Profit after tax was adjusted from $5,129,000 to $5,764,000.
- Loss attributable to the owners of the Company was adjusted from $18,169,000 to $17,974,000.

<u>1H 2017</u>

- Revenue was adjusted from $1,983,921,000 to $1,978,272,000.
- Profit after tax was adjusted from $40,052,000 to $40,558,000.
- Loss attributable to the owners of the Company was adjusted from $27,986,000 to $27,831,000.

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			
Loss per ordinary share based on net profit attributable to shareholders	2Q 2018	2Q 2017 (Restated)	1H 2018	1H 2017 (Restated)
(i) Based on the weighted average number of ordinary shares in issue (cts)	(8.81)	(4.81)	(10.28)	(7.44)
(ii) On a fully diluted basis (cts)	(8.81)	(4.81)	(10.28)	(7.44)

770,000 (30 June 2017: 1,340,000) share options granted to Group Employees (as defined in the Scheme) under the Scheme have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

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	
	30.06.2018	31.12.2017 (Restated)	30.06.2018	31.12.2017
Net Asset Value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares, if any, of the issuer as at 30 June 2018 and as at 31 December 2017 (cts)	141.67	164.73	8.98	59.62

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

The main business units of the Group are the Diesel Engines Unit ("**Yuchai**") and the Building Materials Unit ("**BMU**"). The other business units in the Group are the Industrial Packaging Unit ("**Rex**") and the Air-conditioning Systems Unit ("**Airwell**").

As reported in the Company's announcement on 26 June 2018, the Group's Consumer Products Unit ("**Xinfei**") was de-consolidated with effect from 21 May 2018. The operating performance of Xinfei, together with the net loss on de-consolidation, has been presented separately under the "discontinued operations" on the income statement.

The Group operates mainly in China, Singapore and Malaysia.

China's economy grew 6.7% in 2Q 2018, slightly lower than 6.8% in the first quarter of 2018. In Singapore, the economy grew 3.9% in 2Q 2018. However, the construction industry declined by 4.6%. The decline in the construction industry had an adverse impact on the operating performance of BMU. In Singapore, the decline led to fewer projects and keen price competition. In Malaysia, the Group's subsidiary, Tasek Corporation Berhad faced intense price competition due to excess cement capacity and reduced number of private property projects.

In 2Q 2018, the profit from continuing operations attributable to the owners of the Company ("**PATMI**") increased by $1.1 million to $3.6 million, as compared to $2.5 million in 2Q 2017 (Restated). In 1H 2018, the profit from continuing operations attributable to the owners of the Company decreased slightly by $0.3 million to $15.3 million, as compared to $15.6 million in 1H 2017 (Restated).

<u>2Q 2018 versus 2Q 2017 (Restated)</u>
<u>(* all references to 2Q 2017 in this section are with reference to 2Q 2017 (Restated))</u>

Revenue for the Group was $997.7 million in 2Q 2018, an increase of $59.2 million or 6.3%, from $938.5 million in 2Q 2017. The increase in revenue was mainly due to revenue growth recorded by Yuchai and BMU.

- Yuchai's revenue increased by $43.6 million or 5.3% as compared to 2Q 2017. Yuchai sold 100,675 engines in 2Q 2018, an increase of 11.1% or 10,037 units as compared to 90,638 units sold in 2Q 2017. The increase in engine sales was mainly due to the increase in sales to the truck and off-road segments, particularly the agriculture application, and was partially offset by the decrease in the bus segment. In addition, sales in the power-generation and the industrial equipment applications increased as compared to 2Q 2017.

  In the on-road segment, statistics from China Association of Automotive Manufacturers reported a growth of commercial vehicles (excluding gasoline-powered and electric-powered vehicles) by 10.3% for 2Q 2018. Yuchai's sales benefitted from the growth in the truck segment. However, this was offset by the drop in the bus segment due to competition from full electric bus.

- BMU's revenue increased by $16.8 million or 18.6% as compared to 2Q 2017.

  In Singapore, both revenue and sales volume increased in 2Q 2018. However, continued price competition affected margins and profits. Although the construction industry in Singapore started declining from the third quarter of 2016, the Group has started to see a pick up in sales volume in 2018. Based on new projects to be launched, it will take some time for full recovery of sales volume and average selling prices. In Malaysia, revenue decreased in 2Q 2018. The decrease in revenue was mainly due to lower sales volume recorded by the ready-mixed concrete segment and lower average net selling price for both cement and ready-mixed concrete resulting from the intense price competition in the domestic market.

The Group's gross profit was $179.1 million in 2Q 2018, an increase of $14.4 million or 8.7%, from $164.7 million in 2Q 2017. The gross profit margin was 17.9% as compared to 17.6% in 2Q 2017, an increase of 0.3%.

Other income was $10.2 million in 2Q 2018, a decrease of $1.2 million from $11.4 million in 2Q 2017. In 2Q 2018, other income mainly comprised interest income. In 2Q 2017, other income mainly comprised interest income and net foreign exchange gain.

Selling and distribution ("**S&D**") expenses were $66.3 million in 2Q 2018, comparable to $66.1 million in 2Q 2017. As a percentage of sales, S&D expenses were 6.6% for 2Q 2018 as compared to 7.0% in 2Q 2017, a decrease of 0.4%.

Research and development ("**R&D**") expenses were $33.1 million in 2Q 2018, an increase of $9.6 million or 40.8% as compared to $23.5 million in 2Q 2017. The R&D expenses were mainly related to Yuchai's development and testing costs of new engines to meet higher emission standards and ongoing efforts to improve engine quality. As a percentage of sales, R&D expenses were 3.3% in 2Q 2018 as compared to 2.5% in 2Q 2017, an increase of 0.8%.

General and administrative ("**G&A**") expenses were $36.5 million in 2Q 2018, a decrease of $5.1 million or 12.2% as compared to $41.6 million in 2Q 2017. The decrease was mainly due to lower indirect taxes in Yuchai. As a percentage of sales, G&A expenses were 3.7% in 2Q 2018 as compared to 4.4% in 2Q 2017, a decrease of 0.7%.

Finance costs were $8.9 million in 2Q 2018, an increase of $1.9 million or 27.2% as compared to $7.0 million in 2Q 2017. The increase in finance costs was mainly due to higher borrowings and bills discounting in Yuchai.

Other expenses were $1.7 million in 2Q 2018, an increase of $1.2 million from $0.5 million in 2Q 2017. In 2Q 2018, other expenses were mainly due to net foreign exchange loss. In 2Q 2017, other expenses were mainly due to net fair value loss on derivatives.

As a result, profit from continuing operations after tax was $32.4 million in 2Q 2018 as compared to $28.5 million in 2Q 2017. The Group recorded a profit from continuing operations attributable to the owners of the Company of $3.6 million in 2Q 2018, as compared to $2.5 million in 2Q 2017.

1H 2018 versus 1H 2017 (Restated)
(* all references to 1H 2017 in this section are with reference to 1H 2017 (Restated))

Revenue for the Group was $2.016 billion, an increase of $37.8 million or 1.9%, from $1.978 billion in 1H 2017. The increase was mainly due to higher revenue recorded by Yuchai and BMU in 1H 2018.

- Yuchai's revenue increased by $13.7 million or 0.8% as compared to 1H 2017. Yuchai sold 210,788 engines in 1H 2018, comparable with 210,648 units sold in 1H 2017. The increase in unit sales was mainly due to increase in engine demand by the truck and off-road segments. However, sales of bus engines and agriculture application decreased.

- BMU's revenue increased by $$27.7 million or 15.3% as compared to 1H 2017. In Singapore, the increase was due to higher sales volume from both the ready-mixed concrete division and the precast division, despite continued price pressure. In Malaysia, the increase was mainly due to the increase in domestic demand for cement. However, price competition and lower average selling prices for both cement and ready-mixed concrete affected performance.

The Group's gross profit was $375.7 million in 1H 2018, an increase of $17.0 million or 4.7%, from $358.7 million in 1H 2017. The gross profit margin was 18.6% as compared to 18.1% in 1H 2017, a slight increase of 0.5%.

Other income was $22.4 million in 1H 2018, a decrease of $0.3 million from $22.7 million in 1H 2017. For 1H 2018, other income mainly comprised interest income. For 1H 2017, other income mainly comprised interest income, net foreign exchange gain and gain on disposal of property, plant and equipment.

S&D expenses were $122.5 million in 1H 2018, an increase of $2.9 million or 2.5% as compared to $119.6 million in 1H 2017. The increase was mainly due to higher freight charges and staff costs, partially offset by lower warranty expenses. As a percentage of sales, S&D expenses were 6.1% for 1H 2018 as compared to 6.0% in 1H 2017, an increase of 0.1%.

R&D expenses were $58.4 million in 1H 2018, an increase of $9.0 million or 18.2% as compared to $49.4 million in 1H 2017. The increase was mainly due to higher R&D spending by Yuchai. As a percentage of sales, R&D expenses were 2.9% in 1H 2018 as compared to 2.5% in 1H 2017, an increase of 0.4%.

G&A expenses were $80.1 million in 1H 2018, an increase of $0.4 million or 0.5% as compared to $79.7 million in 1H 2017. As a percentage of sales, G&A expenses were 4.0% in 1H 2018, consistent with 1H 2017.

Finance costs were $17.4 million in 1H 2018, an increase of $1.7 million or 10.7% as compared to $15.7 million in 1H 2017. The increase in finance costs was mainly due to higher borrowings in Yuchai.

Other expenses were $2.3 million in 1H 2018, an increase of $1.6 million from $0.7 million in 1H 2017. In 1H 2018, other expenses were mainly due to net foreign exchange loss. In 1H 2017, other expenses were mainly due to net fair value loss on derivatives.

Profit from continuing operations after tax was $91.4 million in 1H 2018 as compared to $88.8 million in 1H 2017.

Working Capital and Cash Flow

The Group had cash and short-term deposits of $1.429 billion as at 30 June 2018 compared with $1.364 billion as at 31 December 2017.

During the quarter under review, the Group generated cash from operating activities of $324.0 million. This was mainly due to lower trade and other receivables and inventories holdings as compared to 31 March 2018.

The Group had net cash inflow from investing activities of $9.1 million. It was mainly due to lower placement of deposits with banks, which was offset by purchase of property, plant and equipment of $20.2 million.

The Group had net cash inflow from financing activities of $11.8 million. It was mainly due to net borrowings of $41.6 million, partially offset by dividend payment of $18.5 million and interest payment of $11.0 million.

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

None.

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.

China achieved growth of 6.7% for 2Q 2018, slightly lower than growth of 6.8% for the first quarter of 2018. In addition, the trade tensions between the United States and China may have a negative effect on China's economic growth. As such, the Group expects the operating environment for Yuchai to continue to be challenging.

In Singapore and Malaysia, the Group expects BMU to operate in challenging market conditions. Although the Group had witnessed an improvement in sales volumes, average selling prices continued to be weak affecting margins. Also, the private property market in Singapore may be weighed down by the property cooling measures implemented recently.

In Singapore, our proposed new Precast manufacturing facility, when ready, will enable our Precast business unit to continue to be a significant player in Singapore. In Malaysia, some major infrastructure and government construction projects may be deferred with the announcements made by the new Malaysian government. This will affect the demand for cement and concrete products for Tasek Corporation Berhad. The Group believes that the challenges facing BMU will continue to affect its performance.

The Group will continue to explore other strategic options and potential alliance opportunities, whilst maintaining its cost control discipline and continuing its organisational restructuring initiatives.

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) Books closure date

Not applicable.

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

No dividend is declared / recommended for the current financial period under review.

13. Interested person transactions

Name of Interested Person	Aggregate value of all interested person transactions for 2Q 2018 conducted under IPT mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Hong Leong Investment Holdings Pte. Ltd. and its associates	
- Construction-related Transaction - Purchase of raw materials from Interested Persons	$956,912
- General Transaction (renewal of sub-lease of office premises by the Company for a lease tenure of three years)	$1,451,970
	Total: $2,408,882

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. 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.

Not applicable.

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

Not applicable.

16. A breakdown of sales.

Not applicable.

17. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in compliance with Rule 720(1) of the Listing Manual in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

Ng Siew Ping, Jaslin
Yeo Swee Gim, Joanne
Company Secretaries

14 August 2018

Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the second quarter and half year ended 30 June 2018 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Peck	**Philip Ting Sii Tien @ Yao Sik Tien**
Executive Chairman	Director and Chief Executive Officer

14 August 2018