

Unaudited Second Quarter And Half Year Financial Statement For The Period Ended 30 June 2019

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") 2019. 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

	2Q 2019 \$'000	2Q 2018 \$'000	Group +/- %	1H 2019 \$'000	1H 2018 \$'000	+/- %
Continuing operations						
Revenue	1,093,864	997,663	9.6%	2,054,867	2,016,064	1.9%
Cost of sales	(927,679)	(818,593)	13.3%	(1,713,705)	(1,640,414)	4.5%
Gross profit	166,185	179,070	-7.2%	341,162	375,650	-9.2%
Other income	19,669	10,181	93.2%	30,277	22,379	35.3%
Selling and distribution expenses	(69,455)	(66,268)	4.8%	(130,464)	(122,496)	6.5%
Research and development expenses	(22,398)	(33,056)	-32.2%	(37,207)	(58,427)	-36.3%
General and administrative expenses	(36,356)	(36,525)	-0.5%	(76,315)	(80,121)	-4.8%
Finance costs	(9,411)	(8,921)	5.5%	(17,582)	(17,416)	1.0%
Other expenses	(965)	(1,720)	-43.9%	(1,628)	(2,330)	-30.1%
Profit from continuing operations	47,269	42,761	10.5%	108,243	117,239	-7.7%
Share of profit of associates and joint ventures, net of income tax	868	159	445.9%	2,296	2,166	6.0%
Profit before tax from continuing operations	48,137	42,920	12.2%	110,539	119,405	-7.4%
Income tax expense	(12,118)	(10,484)	15.6%	(25,492)	(28,036)	-9.1%
Profit from continuing operations, net of tax	36,019	32,436	11.0%	85,047	91,369	-6.9%
Discontinued operation						
Loss from discontinued operation, net of tax	-	(37,042)	NM	-	(56,136)	NM
Profit/(loss) for the period	36,019	(4,606)	NM	85,047	35,233	141.4%
Attributable to:						
Owners of the Company						
- Profit from continuing operations, net of tax	8,362	3,606	131.9%	20,543	15,328	34.0%
- Loss from discontinued operation, net of tax	-	(36,565)	NM	-	(53,750)	NM
	8,362	(32,959)	NM	20,543	(38,422)	NM
Non-controlling interests						
- Profit from continuing operations, net of tax	27,657	28,830	-4.1%	64,504	76,041	-15.2%
- Loss from discontinued operation, net of tax	-	(477)	NM	-	(2,386)	NM
	27,657	28,353	-2.5%	64,504	73,655	-12.4%

Note:

- (a) Nearly 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 RMB5.0176 = SGD1.00 for 2Q 2019 and RMB4.7916 = SGD1.00 for 2Q 2018. For 2Q 2019, RMB depreciated about 4.7% as compared to 2Q 2018.

For the half year ended 30 June, translation of income statement from RMB to SGD has been made at the average exchange rate of RMB4.9925 = SGD1.00 for 1H 2019 and RMB4.7935 = SGD1.00 for 1H 2018. For 1H 2019, RMB depreciated about 4.2% as compared to 1H 2018.

- (b) Discontinued operation - Henan Xifei Household Appliance Co. Ltd., Henan Xifei Refrigeration Appliances Co., Ltd. and Henan Xifei Electric Co., Ltd. (collectively, the "Xifei 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 Xifei Companies.

As required by the Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Xifei Companies were de-consolidated from the Group in the second quarter of 2018. The operating performance of the Xifei Companies, had been presented separately under "discontinued operation" in the income statements for 2Q 2018 and 1H 2018.

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

	2Q 2019	2Q 2018	Group +/- %	1H 2019	1H 2018	+/- %
	\$'000	\$'000		\$'000	\$'000	
Profit before tax from continuing operations includes the following:						
Gain/(loss) on disposal of property, plant and equipment, net ⁽¹⁾	442	(177)	NM	410	53	673.6%
Impairment losses written back for trade and other receivables, net ⁽²⁾	113	1,160	-90.3%	196	1,479	-86.7%
Allowance recognised for inventories obsolescence, net ⁽³⁾	(209)	(182)	14.8%	(319)	(18)	1672.2%
Depreciation and amortisation ⁽⁴⁾	(29,672)	(28,073)	5.7%	(59,442)	(55,884)	6.4%
Foreign exchange loss, net ⁽⁵⁾	(2,497)	(1,543)	61.8%	(472)	(2,003)	-76.4%
Fair value gain/(loss) on derivatives, net ⁽⁶⁾	1,907	-	NM	(401)	-	NM
Interest expense ⁽⁷⁾	(9,037)	(8,519)	6.1%	(16,916)	(16,750)	1.0%
Interest income ⁽⁸⁾	8,994	8,139	10.5%	17,268	16,931	2.0%
Write-off of property, plant & equipment ⁽⁹⁾	(94)	(204)	-53.9%	(177)	(343)	-48.4%

NM: Not meaningful

- (1) Net gain/(loss) on disposal of property, plant and equipment in both 2019 and 2018 were attributed mainly to the Group's Diesel Engines Unit ("Yuchai").
- (2) Net impairment losses written back for trade and other receivables in both 2019 and 2018 were attributed mainly to Yuchai.
- (3) Net allowance recognised for inventories obsolescence in 2Q 2019 and 2Q 2018 were attributed mainly to the Group's Air-conditioning Systems Unit ("Airwell").

Net allowance for inventories obsolescence in 1H 2019 was attributed mainly to 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.

- (4) The higher depreciation and amortisation was mainly due to depreciation of right-of-use assets recorded in 2Q 2019 and 1H 2019, upon adoption of new accounting standard on 1 January 2019.
- (5) The net foreign exchange loss of \$2.5 million in 2Q 2019 was mainly related to foreign exchange loss on revaluation of United States dollar ("USD") liabilities (for entities with functional currency in RMB), as the RMB weakened against the USD. The net foreign exchange loss of \$1.5 million in 2Q 2018 was mainly due to foreign exchange loss on revaluation of SGD assets in China Yuchai International Limited ("CYI") (with functional currency in USD).

In 1H 2019, together with the net foreign exchange gain of \$2.0 million in the first quarter ("1Q") of 2019, the resulted net foreign exchange loss was \$0.5 million.

(6) Net fair value gain/(loss) on derivatives (for hedging against foreign currency risk) mainly arose from forward foreign exchange contract in Yuchai.

(7) The increase in interest expense in 2Q 2019 was mainly due to higher borrowings and bills discounting and recognition of interest expense related to lease liabilities (upon adoption of new accounting standard on 1 January 2019).

The increase in interest expense in 1H 2019 was mainly due to higher borrowings and recognition of interest expense related to lease liabilities.

(8) The increases in interest income in 2Q 2019 and 1H 2019 were mainly due to higher deposits placement.

(9) The write-offs of property, plant and equipment in both 2019 and 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 2019, the Group's tax charge included additional provision of \$45,000 for prior years (2Q 2018: additional provision of \$3,000 for prior years).

1(a)(iv) Statement of Comprehensive Income

	2Q 2019 \$'000	2Q 2018 \$'000	Group +/- %	1H 2019 \$'000	1H 2018 \$'000	+/- %
Profit/(loss) for the period	36,019	(4,606)	NM	85,047	35,233	141.4%
Other comprehensive income						
Items that will not be subsequently reclassified to profit or loss						
Net fair value changes of equity instruments at fair value through other comprehensive income	2,291	(734)	NM	3,490	(1,448)	NM
Items that may be subsequently reclassified to profit or loss						
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(48,584)	(16,019)	203.3%	(21,147)	17,938	NM
Net fair value changes of debt instruments at fair value through other comprehensive income	(870)	1,864	NM	11,096	12,021	-7.7%
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)	NM	-	2,911	NM
Total other comprehensive income for the period, net of tax	(47,163)	(25,907)	82.0%	(6,561)	20,942	NM
Total comprehensive income for the period	(11,144)	(30,513)	-63.5%	78,486	56,175	39.7%
Attributable to:						
Owners of the Company	(4,139)	(87,659)	-95.3%	22,615	(77,604)	NM
Non-controlling interests	(7,005)	57,146	NM	55,871	133,779	-58.2%
Total comprehensive income for the period	(11,144)	(30,513)	-63.5%	78,486	56,175	39.7%
Attributable to:						
Owners of the Company						
- Total comprehensive income from continuing operations, net of tax	(4,139)	(2,179)	89.9%	22,615	27,312	-17.2%
- Total comprehensive income from discontinued operations, net of tax	-	(85,480)	NM	-	(104,916)	NM
Total comprehensive income for the period attributable to Owners of the Company	(4,139)	(87,659)	-95.3%	22,615	(77,604)	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		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Non-current assets				
Property, plant and equipment	886,456	893,959	105	93
Land use rights	-	105,405	-	-
Intangible assets	99,462	43,942	90	109
Investment in subsidiaries	-	-	202,928	201,935
Interests in associates	43,105	45,380	13,726	13,726
Interests in joint ventures	64,501	59,509	-	-
Investment property	1,287	1,344	-	-
Other investments	12,801	2,914	-	-
Non-current receivables	3,272	4,897	20,000	20,000
Capitalised contract costs	15,321	8,825	-	-
Right-of-use assets	135,269	-	78	-
Deferred tax assets	73,113	72,934	-	-
Long-term deposits	5,907	13,902	-	-
	<u>1,340,494</u>	<u>1,253,011</u>	<u>236,927</u>	<u>235,863</u>
Current assets				
Inventories	514,089	562,729	-	-
Development properties	3,988	4,025	-	-
Other investments	2,563	4,353	-	-
Trade and other receivables	1,893,166	1,684,345	248,222	245,506
Cash and short-term deposits	1,459,540	1,308,076	31,933	29,275
Derivatives	518	899	-	-
	<u>3,873,864</u>	<u>3,564,427</u>	<u>280,155</u>	<u>274,781</u>
Total assets	<u>5,214,358</u>	<u>4,817,438</u>	<u>517,082</u>	<u>510,644</u>
Current liabilities				
Trade and other payables	1,760,049	1,479,583	7,613	9,160
Contract liabilities	46,703	56,956	-	-
Lease liabilities	10,617	-	41	-
Provisions	48,062	38,556	-	-
Loans and borrowings	707,700	544,657	210,857	66,324
Current tax payable	12,653	14,938	42	89
	<u>2,585,784</u>	<u>2,134,690</u>	<u>218,553</u>	<u>75,573</u>
Net current assets	<u>1,288,080</u>	<u>1,429,737</u>	<u>61,602</u>	<u>199,208</u>
Non-current liabilities				
Loans and borrowings	137,124	230,308	95,000	226,900
Deferred tax liabilities	31,573	34,741	2,333	2,333
Deferred grants	138,155	116,285	-	-
Other non-current payables	31,522	31,794	-	-
Contract liabilities	12,349	10,666	-	-
Lease liabilities	16,657	-	38	-
Retirement benefit obligations	2	2	-	-
	<u>367,382</u>	<u>423,796</u>	<u>97,371</u>	<u>229,233</u>
Total liabilities	<u>2,953,166</u>	<u>2,558,486</u>	<u>315,924</u>	<u>304,806</u>
Net assets	<u>2,261,192</u>	<u>2,258,952</u>	<u>201,158</u>	<u>205,838</u>
Equity attributable to owners of the Company				
Share capital	467,890	467,890	467,890	467,890
Reserves	297,341	278,962	(266,732)	(262,052)
	<u>765,231</u>	<u>746,852</u>	<u>201,158</u>	<u>205,838</u>
Non-controlling interests	<u>1,495,961</u>	<u>1,512,100</u>	<u>-</u>	<u>-</u>
Total equity	<u>2,261,192</u>	<u>2,258,952</u>	<u>201,158</u>	<u>205,838</u>
Total equity and liabilities	<u>5,214,358</u>	<u>4,817,438</u>	<u>517,082</u>	<u>510,644</u>

Explanatory Notes to Statement of Financial Position

Group

- **Non-current assets:** The increase in non-current assets was mainly due to capitalisation of development costs for National VI and Tier 4 engines as intangible assets and recognition of trademark license by Yuchai in 1H 2019, acquisition of other investments, additional contract costs capitalised for projects in 1H 2019 and recognition of right-of-use assets (which included reclassification of land use rights and leasehold land to right-of-use assets) upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 on 1 January 2019. Please refer to paragraph 5 for more details. The increase was partially offset by decrease in long-term deposits mainly due to reclassification of deposits (maturing within the next 12 months) to current assets.
- **Current assets:** The increase in current assets was mainly due to higher trade and other receivables and increase in cash and short-term deposits (partly attributed to the reclassification of long-term deposits maturing within the next 12 months), which was partially offset by lower inventory level maintained at 30 June 2019. The increase in trade and other receivables was mainly due to timing of collection from customers.
- **Current liabilities:** The increase in current liabilities was mainly due to higher trade and other payables, higher provision for warranty, increase in loans and borrowings and recognition of lease liabilities upon adoption of SFRS(I) 16, which was partially offset by lower contract liabilities as at 30 June 2019. In particular:
 - The increase in trade and other payables was mainly resulting from the timing of settlement with suppliers.
 - The increase in loans and borrowings was mainly due to reclassification of loans (maturing within the next 12 months) from non-current liabilities, and additional loans and borrowings in 1H 2019.
 - The decrease in contract liabilities was mainly due to decrease in advance payment from customers for future product deliveries at 30 June 2019, partially offset by higher unfulfilled maintenance service costs.
- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) to current liabilities, which was partially offset by additional loans and borrowings, additional deferred grants received in 1H 2019 and recognition of lease liabilities upon adoption of SFRS(I) 16.

Company

- **Non-current assets:** The increase in non-current assets was mainly due to additional inter-company loan, which forms part of investment in subsidiaries, extended to a subsidiary in 1H 2019.
- **Current assets:** The increase in current assets was mainly due to additional loans granted to subsidiaries in 1H 2019 and higher cash and short-term deposits held at 30 June 2019.
- **Current liabilities:** The increase in current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) from non-current liabilities, and additional loans and borrowings in 1H 2019.
- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) to current liabilities.

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

Amount repayable in one year or less, or on demand *

As at 30.06.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
\$99,528,000	\$618,789,000	\$100,407,000	\$444,250,000

Amount repayable after one year *

As at 30.06.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
\$42,272,000	\$111,509,000	\$408,000	\$229,900,000

* Amount repayable comprised the Group's loans and borrowings and lease liabilities.

Details of any collateral

The secured banking facilities of the Group are secured on the assets of certain subsidiaries with a total carrying value as at 30 June 2019 of \$222,904,000 (31 December 2018: \$104,099,000).

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 2019 \$'000	2Q 2018 \$'000	1H 2019 \$'000	1H 2018 \$'000
Operating activities				
Profit before income tax from continuing operations	48,137	42,920	110,539	119,405
Loss before income tax from discontinued operation	-	(37,042)	-	(56,136)
Adjustments for:				
Share of profit of associates and joint ventures, net of income tax	(868)	(159)	(2,296)	(2,166)
Cost of share-based payments	8	-	8	-
Depreciation and amortisation	29,672	28,363	59,442	56,670
Allowance recognised for inventories obsolescence, net	209	768	319	1,145
Impairment losses written back for trade and other receivables	(113)	(1,143)	(196)	(1,222)
Property, plant and equipment written off	94	204	177	343
Finance costs	9,411	8,921	17,582	17,606
Dividend income from other investments	(42)	(243)	(42)	(243)
Interest income	(8,994)	(8,139)	(17,268)	(16,942)
Loss/(gain) on de-consolidation/disposal of:				
- subsidiaries	-	32,277	-	32,277
- property, plant and equipment	(442)	177	(410)	(53)
- other investments	(396)	-	(396)	-
Fair value loss/(gain) on investments	33	(610)	(270)	(1)
Fair value (gain)/loss on derivatives	(1,907)	-	401	-
Provision for warranties and other costs, net	21,006	17,784	33,512	27,427
Operating cash flows before changes in working capital	95,808	84,078	201,102	178,110
Changes in working capital:				
Inventories and development properties	122,688	107,143	42,588	117,813
Trade and other receivables and capitalised contract costs	13,732	161,757	(225,086)	(228,460)
Trade and other payables and contract liabilities	116,486	3,915	266,695	64,148
Grant received from government	4,477	678	32,093	7,091
Provisions utilised	(11,133)	(11,509)	(23,576)	(25,942)
Cash flows from operations	342,058	346,062	293,816	112,760
Income tax paid	(18,069)	(22,017)	(30,692)	(31,574)
Net cash flows from operating activities	323,989	324,045	263,124	81,186
Investing activities				
Additional investment in joint ventures	-	-	(3,551)	(1,006)
Dividends received from:				
- associates and joint ventures	3,179	2,954	3,179	2,954
- other investments	42	243	42	243
Interest received	9,117	7,938	17,194	16,512
Net (placement)/release of deposits with banks	(40,201)	22,950	(42,434)	5,856
Purchase of:				
- property, plant and equipment	(29,393)	(20,166)	(61,361)	(41,048)
- intangible assets	(46,149)	(156)	(55,003)	(305)
- other investments	(5,249)	(362)	(6,800)	(1,146)
Net cash (outflow)/inflow on de-consolidation/disposal of:				
- subsidiaries, net of cash de-consolidated	-	(5,201)	-	(5,201)
- property, plant and equipment	22	885	63	899
- other investments	2,371	-	2,371	-
Tax and relevant expenses in relation to a subsidiary disposed previously	-	-	(7,789)	-
Net cash flows (used in)/generated from investing activities	(106,261)	9,085	(154,089)	(22,242)
Financing activities				
Acquisition of non-controlling interests	(18,382)	-	(18,405)	-
Dividends paid to non-controlling interests of subsidiaries	(30,131)	(18,519)	(30,131)	(30,280)
Interest paid	(8,683)	(11,048)	(16,082)	(19,681)
Proceeds from borrowings	176,865	73,298	392,195	363,123
Repayment in respect of borrowings	(35,120)	(31,691)	(317,857)	(305,379)
Repayment of obligation under finance leases	-	(247)	-	(485)
Repayment of obligation under lease liabilities	(5,057)	-	(6,876)	-
Net cash flows generated from financing activities	79,492	11,793	2,844	7,298
Net increase in cash and cash equivalents	297,220	344,923	111,879	66,242
Cash and cash equivalents at beginning of the financial period	1,053,911	1,006,520	1,224,105	1,262,104
Effect of exchange rate changes on balances held in foreign currencies	(24,911)	(15,539)	(9,764)	7,558
Cash and cash equivalents at end of the financial period	1,326,220	1,335,904	1,326,220	1,335,904
Comprising:				
Cash and short-term deposits			1,459,540	1,428,535
Less: Short-term deposits and restricted deposits			(133,320)	(92,631)
			1,326,220	1,335,904

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 on changes of non-controlling interests \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group											
At 1 January 2018 (FRS framework)	266,830	4,391	33,753	45,859	5,243	(60,354)	35,397	286,025	617,144	1,529,645	2,146,789
Cumulative effects of adopting SFRS(I)	-	-	-	(8,601)	-	51,668	-	(52,881)	(9,814)	(21,856)	(31,670)
At 1 January 2018 (SFRS(I) framework)	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
<u>Other comprehensive income</u>											
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 equity instruments at fair value through other comprehensive income	-	-	-	(714)	-	-	-	-	(714)	-	(714)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	3,107	-	-	-	-	3,107	7,050	10,157
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											
<u>Contributions by and distributions to owners</u>											
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)
<u>Other comprehensive income</u>											
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 equity instruments at fair value through other comprehensive income	-	-	-	(734)	-	-	-	-	(734)	-	(734)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	426	-	-	-	-	426	1,438	1,864
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											
<u>Contributions by and distributions to owners</u>											
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(92,580)	(92,580)
<u>Others</u>											
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	Statutory reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Surplus/(deficit) on changes of non-controlling interests \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group											
At 1 January 2019	467,890	4,351	15,425	2,192	5,243	(26,394)	51,298	226,847	746,852	1,512,100	2,258,952
Profit for the period	-	-	-	-	-	-	-	12,181	12,181	36,847	49,028
<u>Other comprehensive income</u>											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	9,829	-	-	9,829	17,608	27,437
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	928	-	-	-	-	928	271	1,199
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	3,816	-	-	-	-	3,816	8,150	11,966
Other comprehensive income for the period, net of tax	-	-	-	4,744	-	9,829	-	-	14,573	26,029	40,602
Total comprehensive income for the period	-	-	-	4,744	-	9,829	-	12,181	26,754	62,876	89,630
Transactions with owners, recorded directly in equity											
<u>Changes in ownership interests in subsidiaries</u>											
Acquisition of non-controlling interests	-	-	-	-	-	-	6	-	6	(29)	(23)
At 31 March 2019	467,890	4,351	15,425	6,936	5,243	(16,565)	51,304	239,028	773,612	1,574,947	2,348,559
At 1 April 2019	467,890	4,351	15,425	6,936	5,243	(16,565)	51,304	239,028	773,612	1,574,947	2,348,559
Profit for the period	-	-	-	-	-	-	-	8,362	8,362	27,657	36,019
<u>Other comprehensive income</u>											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(13,705)	-	-	(13,705)	(34,879)	(48,584)
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	1,567	-	-	-	-	1,567	724	2,291
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	(363)	-	-	-	-	(363)	(507)	(870)
Other comprehensive income for the period, net of tax	-	-	-	1,204	-	(13,705)	-	-	(12,501)	(34,662)	(47,163)
Total comprehensive income for the period	-	-	-	1,204	-	(13,705)	-	8,362	(4,139)	(7,005)	(11,144)
Transactions with owners, recorded directly in equity											
<u>Contributions by and distributions to owners</u>											
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(57,849)	(57,849)
Cost of share-based compensation	-	-	-	-	8	-	-	-	8	-	8
<u>Changes in ownership interests in subsidiaries</u>											
Acquisition of non-controlling interests	-	-	-	-	-	-	(4,250)	-	(4,250)	(14,132)	(18,382)
At 30 June 2019	467,890	4,351	15,425	8,140	5,251	(30,270)	47,054	247,390	765,231	1,495,961	2,261,192

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

The Company	Share capital \$'000	Capital reserve \$'000	Share option reserve \$'000	Accumulated losses \$'000	Total equity \$'000
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	<u>266,830</u>	<u>9,199</u>	<u>2,467</u>	<u>(61,612)</u>	<u>216,884</u>
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	<u>266,830</u>	<u>9,199</u>	<u>2,467</u>	<u>(244,925)</u>	<u>33,571</u>
At 1 January 2019	467,890	9,199	2,467	(273,718)	205,838
Total comprehensive income for the period	-	-	-	(3,371)	(3,371)
At 31 March 2019	<u>467,890</u>	<u>9,199</u>	<u>2,467</u>	<u>(277,089)</u>	<u>202,467</u>
At 1 April 2019	467,890	9,199	2,467	(277,089)	202,467
Total comprehensive income for the period	-	-	-	(1,317)	(1,317)
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Cost of share-based compensation	-	-	8	-	8
At 30 June 2019	<u>467,890</u>	<u>9,199</u>	<u>2,475</u>	<u>(278,406)</u>	<u>201,158</u>

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 2019, 31 December 2018 and 30 June 2018.

There was no change in the Company's issued share capital during the three months ended 30 June 2019.

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 2019.

As at 30 June 2019, there were a total of 920,000 (30 June 2018: 770,000) 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	190,000
2019	\$0.53	350,000
Total		920,000

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 2019 and 31 December 2018 was 747,817,118.

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 2019.

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 2018, except for adoption of new accounting standards that became effective on 1 January 2019. 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.

The Group has adopted all accounting standards that are effective from 1 January 2019. The adoption of the accounting standards did not have any material impact on the financial statements, except as described below:

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group has applied SFRS(I) 16 using the modified retrospective approach at the date of initial application, 1 January 2019. Comparatives are not restated.

Upon adoption of SFRS(I) 16 on 1 January 2019, the Group recognised right-of-use assets of \$143,128,000 and lease liabilities (current and non-current) of \$37,779,000. Right-of-use assets recognised included the Group's land use rights and leasehold land which have been reclassified to right-of-use assets.

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.

Profit/(loss) per ordinary share based on net profit attributable to shareholders	Group			
	2Q 2019	2Q 2018	1H 2019	1H 2018
(i) Based on the weighted average number of ordinary shares in issue (cts)	1.12	(8.81)	2.75	(10.28)
(ii) On a fully diluted basis (cts)	1.12	(8.81)	2.75	(10.28)

570,000 (30 June 2018: 770,000) 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	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
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 2019 and as at 31 December 2018 (cts)	102.33	99.87	26.90	27.53

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 Group operates mainly in China, Singapore and Malaysia.

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**").

Since the de-consolidation of the Group's Consumer Products Unit ("**Xinfei**") on 21 May 2018, the operating performance of Xinfei has been presented separately under "discontinued operation" in the income statements for 2Q 2018 and 1H 2018.

In China, the economy grew 6.2% year-on-year in 2Q 2019. Statistics from China Association of Automobile Manufacturers reported a decline in sales of commercial vehicles (excluding gasoline-powered and electric-powered vehicles) by 13.9% as compared with 2Q 2018.

In Singapore, the Ministry of Trade and Industry announced that the economy grew by 0.1% on a year-on-year basis in 2Q 2019, slower than the 1.1% growth in the previous quarter. The construction sector grew by 2.9% on a year-on-year basis in 2Q 2019, extending the 2.8% expansion in the previous quarter. Growth of the sector was supported by an increase in public sector construction activities. In Malaysia, the cement industry continued to be affected by prolonged price competition due to excess cement capacity.

In 2Q 2019, the profit attributable to the owners of the Company ("**PATMI**") increased by \$41.4 million to \$8.4 million, as compared to loss of \$33.0 million in 2Q 2018. In 1H 2019, the profit attributable to the owners of the Company increased by \$58.9 million to \$20.5 million, as compared to loss of \$38.4 million in 1H 2018.

2Q 2019 versus 2Q 2018

Revenue for the Group was \$1,093.9 million in 2Q 2019, an increase of \$96.2 million or 9.6%, from \$997.7 million in 2Q 2018. The increase in revenue was mainly due to higher revenue recorded by Yuchai and BMU.

- Yuchai's revenue increased by \$94.9 million or 10.9% as compared to 2Q 2018. Yuchai sold 110,059 engines in 2Q 2019, an increase of 9.3% or 9,384 units as compared to 100,675 units sold in 2Q 2018. The unit sales increase was mainly due to increased engine sales to the truck and off-road segments, particularly sales to both the heavy-duty and light-duty truck market segments which more than offset an overall sales decline in the bus segment.
- BMU's revenue increased by \$6.9 million or 6.4% as compared to 2Q 2018, mainly due to improved performance of the Singapore operations. The Group's subsidiary in Malaysia, Tasek Corporation Berhad ("**Tasek**") recorded lower sales volume in 2Q 2019 for the cement segment as compared to 2Q 2018. The prolonged price competition and higher costs of production continued to affect the performance of Tasek in 2Q 2019.

The Group's gross profit was \$166.2 million in 2Q 2019, a decrease of \$12.9 million or 7.2%, from \$179.1 million in 2Q 2018. The gross profit margin was 15.2% as compared to 17.9% in 2Q 2018, a decrease of 2.7 percentage point. This was mainly due to a decline in gross profit margin for Yuchai attributable to higher costs incurred in the production of National VI engines at the present stage. However, gross profit margin for BMU improved from higher business volumes and better margins.

Other income was \$19.7 million in 2Q 2019, an increase of \$9.5 million from \$10.2 million in 2Q 2018. The increase was mainly due to higher government grants in 2Q 2019. For 2Q 2019, other income mainly comprised interest income and government grants.

Selling and distribution (“**S&D**”) expenses were \$69.5 million in 2Q 2019, an increase of \$3.2 million or 4.8% as compared to \$66.3 million in 2Q 2018. The increase was mainly due to higher warranty expenses. As a percentage of sales, S&D expenses were 6.3% for 2Q 2019 as compared to 6.6% in 2Q 2018, a decrease of 0.3 percentage point.

Research and development (“**R&D**”) expenses were \$22.4 million in 2Q 2019, a decrease of \$10.7 million or 32.2% as compared to \$33.1 million in 2Q 2018. The decrease was mainly due to the capitalisation of development costs for National VI and Tier 4 engines by Yuchai. Yuchai continues with its initiatives to develop new engines compliant with China’s next emission standards and to improve engine performance and quality. As a percentage of sales, R&D expenses were 2.0% in 2Q 2019 as compared to 3.3% in 2Q 2018, a decrease of 1.3 percentage point.

General and administrative (“**G&A**”) expenses were \$36.4 million in 2Q 2019, comparable to \$36.5 million in 2Q 2018. As a percentage of sales, G&A expenses were 3.3% in 2Q 2019 as compared to 3.7% in 2Q 2018, a decrease of 0.4 percentage point.

Finance costs were \$9.4 million in 2Q 2019, an increase of \$0.5 million or 5.5% as compared to \$8.9 million in 2Q 2018. The increase in finance costs was mainly due to higher borrowings and bills discounting, and recognition of interest expense related to lease liabilities in 2Q 2019.

Other expenses were \$1.0 million in 2Q 2019, a decrease of \$0.7 million from \$1.7 million in 2Q 2018. The decrease was mainly due to fair value gain on derivatives in 2Q 2019 which was partially offset by higher foreign exchange loss in 2Q 2019 as compared to 2Q 2018.

Share of profit of associates and joint ventures were \$0.9 million in 2Q 2019, an increase of \$0.7 million from \$0.2 million in 2Q 2018. The increase was mainly due to higher profits from associates and joint ventures of Yuchai.

As a result, profit from continuing operations after tax was \$36.0 million in 2Q 2019 as compared to \$32.4 million in 2Q 2018. The Group recorded a profit from continuing operations attributable to the owners of the Company of \$8.4 million in 2Q 2019, as compared to \$3.6 million in 2Q 2018.

1H 2019 versus 1H 2018

Revenue for the Group was \$2.055 billion in 1H 2019, an increase of \$38.8 million or 1.9%, from \$2.016 billion in 1H 2018. The increase in revenue was mainly due to higher revenue recorded by Yuchai and BMU.

- Yuchai’s revenue increased by \$28.7 million or 1.6% as compared to 1H 2018. Yuchai sold 211,359 engines in 1H 2019 as compared to 210,788 units sold in 1H 2018. The increase was mainly due to higher engine sales in the heavy-duty and light-duty truck and off-road segments, particularly agricultural engines, which more than offset the sales decline in the bus segment.
- BMU’s revenue increased by \$18.7 million or 9.0% as compared to 1H 2018, mainly due to improved performance of the Singapore operations. Tasek recorded lower revenue in 1H 2019 as compared to 1H 2018. This was mainly due to lower domestic cement sales to the Southern region, which was exacerbated by lower average net selling price caused by prolonged price competition.

The Group’s gross profit was \$341.2 million in 1H 2019, a decrease of \$34.5 million or 9.2%, from \$375.7 million in 1H 2018. The gross profit margin was 16.6% as compared to 18.6% in 1H 2018, a decrease of 2.0 percentage point. This was mainly due to a decline in gross profit margin for Yuchai attributable to higher production costs of National VI engines at the present stage. However, gross profit margin for BMU improved from higher business volumes and better margins.

Other income was \$30.3 million in 1H 2019, an increase of \$7.9 million from \$22.4 million in 1H 2018. The increase was mainly due to higher government grants. For 1H 2019, other income mainly comprised interest income and government grants.

S&D expenses were \$130.5 million in 1H 2019, an increase of \$8.0 million or 6.5% as compared to \$122.5 million in 1H 2018. The increase was mainly due to higher warranty expenses. As a percentage of sales, S&D expenses were 6.3% for 1H 2019 as compared to 6.1% in 1H 2018, an increase of 0.2 percentage point.

R&D expenses were \$37.2 million in 1H 2019, a decrease of \$21.2 million or 36.3% as compared to \$58.4 million in 1H 2018. The decrease was mainly due to the capitalisation of development costs for National VI and Tier 4 engines by Yuchai. As a percentage of sales, R&D expenses were 1.8% in 1H 2019 as compared to 2.9% in 1H 2018, a decrease of 1.1 percentage point.

G&A expenses were \$76.3 million in 1H 2019, a decrease of \$3.8 million or 4.8% as compared to \$80.1 million in 1H 2018. The decrease was mainly due to effect of translation as a result of the depreciation of RMB against SGD. As a percentage of sales, G&A expenses were 3.7% in 1H 2019 as compared to 4.0% in 1H 2018, a decrease of 0.3 percentage point.

Finance costs were \$17.6 million in 1H 2019, comparable to \$17.4 million in 1H 2018.

Other expenses were \$1.6 million in 1H 2019, a decrease of \$0.7 million from \$2.3 million in 1H 2018. The decrease was mainly due to lower foreign exchange loss recorded in 1H 2019.

Share of profit of associates and joint ventures were \$2.3 million in 1H 2019, comparable to \$2.2 million in 1H 2018.

As a result, profit from continuing operations after tax was \$85.0 million in 1H 2019 as compared to \$91.4 million in 1H 2018. The Group recorded a profit from continuing operations attributable to the owners of the Company of \$20.5 million in 1H 2019, as compared to \$15.3 million in 1H 2018.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$1.460 billion as at 30 June 2019 compared with \$1.308 billion as at 31 December 2018.

During the period under review, the net cash inflow from operating activities was \$324.0 million. This was mainly due to lower inventories holdings and higher trade and other payables as compared to 31 March 2019.

The net cash outflow from investing activities of \$106.3 million was mainly due to purchase of property, plant and equipment and intangible assets and net placement of deposits with banks, partially offset by interest received.

The Group had net cash inflow from financing activities of \$79.5 million. It was mainly due to net borrowings of \$141.7 million, which was partially offset by dividends paid of \$30.1 million, acquisition of non-controlling interests of \$18.4 million and interest payment of \$8.7 million.

As reported in the Group's results announcement for the third quarter of 2018 dated 14 November 2018, the Company had raised net proceeds of \$201.1 million from the rights issue exercise in October 2018. As at the date of this Announcement, there has not been any utilisation of the net proceeds for the intended uses as stated in the Offer Information Statement dated 3 October 2018. Pending such deployment, funds have been used in the interim to repay short-term revolving facilities and the balance has been deposited with financial institutions. The Company will make periodic announcements via SGXNET on the actual deployment of the proceeds.

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.

In China, the economy grew at 6.2% year-on-year in 2Q 2019. This was lower than the 6.4% year-on-year growth in the first quarter of 2019. The National Bureau of Statistics of China said the economy remains in a complex situation with rising external uncertainties. The prospects and the domestic market condition for Yuchai are expected to remain challenging. Despite the foregoing, Yuchai remains committed to its research and development programs so that it is well positioned to meet the increasingly stringent emission standards.

In Malaysia, Tasek continues to be affected by the pricing competition due to low cement demand from the continuous subdued construction sector. The Department of Statistic Malaysia reported on 10 May 2019 that the value of construction work done in 1Q 2019 recorded a slower growth of 0.7% year-on-year to 37.4 billion Malaysian Ringgit.

As announced on 28 May 2019, HL Cement (Malaysia) Sdn Bhd and Ridge Star Limited, both wholly owned subsidiaries of the Company (collectively, the "**Joint Offerors**"), launched a voluntary unconditional take-over offer to acquire all the remaining ordinary shares (excluding treasury shares) and the 6% cumulative participating preference shares of Tasek not already held by the Joint Offerors (the "**Offer**"). As at the date of this Announcement, the Group holds approximately 88.02% (including acceptances received for 199,968 shares which are subject to verification) of the total issued and paid-up Tasek Ordinary Shares (excluding treasury shares) based on the issued ordinary share capital of 121,142,931 (excluding treasury shares) in Tasek. The final closing date of the Offer is on 19 August 2019.

In Singapore, the construction sector grew 2.9% year-on-year in 2Q 2019, as announced by the Ministry of Trade and Industry. Singapore's GDP growth for 2019 is expected to be in the range between 0.0% to 1.0%. BMU's operations in Singapore had witnessed an improvement in sales volumes and pricing in recent tenders. The Group Precast division's strategy to move towards Design for Manufacturing and Assembly (DfMA) is in line with Singapore's transformation in the built environment towards higher automation and improved productivity. The construction of the Group's Precast manufacturing facility, when ready, will enable the Precast business division to continue to be a significant player in Singapore.

The Group is well positioned to pursue growth opportunities and will continue to exercise cost discipline.

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/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend is declared / recommended for the current financial period under review, as the Company has incurred losses for the quarter ended 30 June 2019.

13. Interested person transactions

No interested persons transactions ("IPT") were conducted under the Company's IPT mandate for the quarter ended 30 June 2019.

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 2019

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 2019 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Peck
Executive Chairman

Tan Eng Kwee
Director and Chief Executive Officer

14 August 2019