

AVATION PLC
(“Avation” or “the Company”)

FINANCIAL RESULTS AND INTERIM MANAGEMENT STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces reviewed financial results for the six months ended 31 December 2018.

Key Financial Results

- Total profit after tax increased by 102% year on year to \$13.6 million;
- Earnings per share (“EPS”) increased 97% to 21.6 cents;
- Lease rental revenue increased by 40% to a record \$58.2 million;
- Total assets increased by 9% since 30 June 2018 to a record \$1,256.1 million; and
- Weighted average cost of debt declined from 5.0% to 4.9%.

Operational Highlights

- Four aircraft acquired during the period;
- Sale of one narrowbody Airbus A321-200 aircraft;
- Growth confirmed through an order of four Airbus A220-300 aircraft to be delivered to airBaltic by 30 June 2019;
- Order placed for eight additional ATR72-600 aircraft to be delivered by 2022;
- Airline customers increased from thirteen to fourteen; and
- \$50 million senior unsecured notes issued under the Global Medium Term Note programme.

Executive Chairman, Jeff Chatfield, said:

“Avation posted record revenue, profit and total assets for the period ended 31 December 2018. The Company generated a strong first half result with profit and EPS approximately double that of the comparable half year period.

“Avation acquired four aircraft during the period and is expected to deliver seven additional new aircraft into the fleet prior to 30 June 2019, including four Airbus A220-300 jets to be delivered to airBaltic.

“Avation sold one narrowbody Airbus A321-200 aircraft during the period at a price more than 10% above book value. Avation has a further seven Airbus A321-200 aircraft in the fleet and narrowbody aircraft represent almost half of the fleet by value. This confirms Avation’s fleet is both liquid and supports management’s view that the group’s net realisable value exceeds the reported net asset value per share.

“The Company repaid all existing junior debt and selected senior debt resulting in the number of unencumbered aircraft at the end of the period increasing to nine.

“The Company’s strong performance enabled the Board to declare and pay an interim dividend of 2.0 US cents per share for the period.

“Avation ends the financial period with a strong cash position and seven additional new aircraft expected to be delivered prior to 30 June 2019. The Company believes it has sufficient liquidity to fund further fleet growth and is currently assessing a number of assets for acquisition.”

Financial Highlights

	6 months ended 31 December 2018 US\$ 000's	6 months ended 31 December 2017 US\$ 000's	Change
Total Revenue	58,232	52,385	11%
Operating profit (EBIT)	40,212	25,117	60%
Operating profit margin	69%	48%	
Administrative expense	5,471	4,914	11%
Administrative expense/ Revenue	9.4%	9.4%	-
Profit before tax	14,216	7,273	95%
Total profit after tax	13,633	6,739	102%
EPS	21.6 cents	10.9 cents	97%
Dividend per share	2.0 cents	-	
	As at 31 December 2018 US\$ 000's	As at 30 June 2018 US\$ 000's	
Fleet assets ⁽¹⁾	1,064,000	1,038,649	2%
Total assets	1,256,147	1,152,205	9%
Cash and bank balances	163,207	91,102	79%
Net asset value per share (US\$) ⁽²⁾	\$3.66	\$3.64	1%
Net asset value per share (GBP) ⁽³⁾	£2.88	£2.76	4%

1. Fleet assets are defined as property, plant and equipment plus assets held for sale plus finance lease receivables.

2. Net asset value per share is total equity divided by the total number of shares in issue at period end.

3. Based on GBP:USD exchange rate as at 31 December 2018 of 1.273 (30 June 2018 : 1.321).

Aircraft Fleet

Aircraft Type	31 December 2018
Boeing 777-300ER	1
Airbus A330-300	1
Airbus A321-200	7
Airbus A320-200	3
Airbus A220-300	2
Fokker 100	5
ATR 72-600	16
ATR 72-500	6
Total	41

As at 31 December 2018, Avation's fleet comprised 41 aircraft, including seven aircraft on finance lease. The weighted average age of the fleet (excluding finance leases) is 3.6 years (30 June 2018: 3.2 years) and the weighted average remaining lease term is 7.5 years (30 June 2018: 7.7 years).

Fleet assets increased 2% to \$1,064.0 million (30 June 2018: \$1,038.6 million). Four aircraft were added to the fleet in the period including three ATR72-600 aircraft and one Airbus A220-300. One narrowbody Airbus A321-200 aircraft was sold during the period. Narrowbody aircraft make up 42.6% of fleet assets as at 31 December 2018.

Avation is expected to add seven aircraft to the fleet prior to 30 June 2019 with four Airbus A220-300 and three ATR 72-600 turboprop aircraft on order for delivery.

In addition to this, Avation has ordered eight ATR 72-600 aircraft for delivery by 2022 and has purchase rights for a further 25 aircraft.

Debt summary

	31 December 2018	30 June 2018
	US\$000's	US\$000's
Loans and borrowings	963,726	868,600
Unrestricted cash and bank balances	122,954	57,950
Net indebtedness	840,722	810,650
Net debt to equity ⁽¹⁾	3.6	3.6
Weighted average cost of secured debt ⁽²⁾	4.1%	4.3%
Weighted average cost of total debt ⁽³⁾	4.9%	5.0%

1. Net debt to equity is defined as net indebtedness divided by total equity.
2. Weighted average cost of secured debt is the weighted average interest rate for secured loans and borrowings as at the period end.
3. Weighted average cost of total debt is the weighted average interest rate for total loans and borrowings as at the period end.

The weighted average cost of total debt decreased to 4.9% as at 31 December 2018 (30 June 2018: 5.0%).

The weighted average cost of secured debt decreased to 4.1% at 31 December 2018 (30 June 2018: 4.3%) principally due to settlements of certain higher cost secured loans following the issuance of \$300 million 6.5% Senior Notes due 2021 under the Company's Global Medium Term Note programme ("Notes") in May 2018. Avation completed a tap issue of an additional \$50 million in Notes in November 2018.

At the end of the financial period, Avation's net debt to equity ratio was 3.6 (30 June 2018: 3.6). At 31 December 2018, 96.4% of total debt was at fixed or hedged interest rates (30 June 2018: 94.8%). The proportion of unsecured debt to total debt was 35.7% (30 June 2018: 33.8%).

Avation will continue to source secured and unsecured debt finance to fund fleet growth with the overriding objective of lowering the weighted average cost of finance.

Credit Rating

In November 2018, Standard & Poor's Global Ratings advised that Avation's issue rating for the Notes had been upgraded. The Company's current credit ratings are as follows:

Rating Agency	Corporate Credit Rating	Notes Rating
Standard and Poor's	B+ outlook positive	B+
Fitch Ratings	BB- outlook stable	BB-
Japan Credit Ratings Company	BB outlook stable	NR

Dividend Policy

In recognition of robust trading conditions, the Board declared and paid an interim dividend of 2.0 US cents per share in respect of the six months ended 31 December 2018.

The Company confirms its aim to maintain a progressive dividend policy.

Market Positioning

Avation's strategy is to target growth and diversification by adding new airline customers, while maintaining strong average aircraft age and remaining lease term metrics. Avation focuses on new and relatively new commercial passenger aircraft on long-term leases. Avation is able to own, manage and lease turboprop, narrowbody and twin-aisle aircraft to the airline industry.

The Company's business model involves rigorous investment criteria and has a history of delivering consistent profitability while seeking to mitigate the risks associated with the aircraft

leasing sector. Avation will typically sell mid-life and older aircraft and redeploy capital to newer assets. This approach is intended to mitigate technology change risk, operational and financial risk, support sustained growth and deliver long-term shareholder value.

Avation is an active trader of aircraft and from time to time will consider the acquisition or sale of individual or smaller portfolios of aircraft, based on prevailing market opportunities and consideration of risk and revenue concentrations.

Interim Management Statement

The outlook for the second half of the 2019 financial year is for continued fleet growth with the expected delivery of seven ordered aircraft and the potential acquisition of further assets.

Management believes that the risks associated with its portfolio of assets have been reduced through growth and diversification of customers that has been achieved during the financial period. Avation has demonstrated that it has the capability to acquire, finance and deliver a number of aircraft in a short period of time when the opportunity presents itself and has a platform which supports future growth.

Management believes that it can attract airline customers, acquire aircraft and obtain the required funding for growth. In addition to operational cash flows, funding is traditionally sourced from capital markets, asset-backed bank lending and disposal of selected aircraft. Access to acceptably priced funding is a risk, which is common to all capital-intensive businesses. Specific risks which are inherent to the aircraft leasing industry include, but are not limited to, the creditworthiness of customer airlines, over-production of new aircraft and market saturation, technology change, residual value risks, competition from other lessors and the risk of impairment of aircraft assets.

Avation's Board of Directors is pleased to deliver a record financial result from its aircraft leasing business during this period of diversification and growth.

Results Conference Call

Avation's senior management team will host a conference call on 21 February 2019, at 1pm GMT (UK) / 8am EST (US) / 9pm SGT (Singapore), to discuss the Company's financial results. Participants should dial: United Kingdom 020 3059 5868; United States +1 866 796 1566; Singapore +65 3157 6417; other locations +44 20 3059 5868 and quote "Avation Half Year 2019 Results" when prompted. The conference call will also be webcast live through the following link:

<http://avation.emincote.com/results/2019halfyearresults>

To view the webcast investors will be invited to register their name and email address, participants can do this in advance or on the day. A replay of the webcast will be available on the Investor Relations page of the Avation website.

Forward Looking Statements

This release contains certain "forward looking statements". Forward looking statements may be identified by words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "estimates," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for Avation's future business and financial performance. Forward looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks. Further information on the factors and risks that may affect Avation's business is included in Avation's regulatory announcements from time to time, including its Annual Report, Full Year Financial Results and Half Year Results announcements. Avation expressly disclaims any obligation to update or revise any of these

forward looking statements, whether because of future events, new information, a change in its views or expectations, or otherwise.

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More information on Avation PLC can be found at: www.ovation.net

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INDEPENDENT REVIEW REPORT TO AVATION PLC

Introduction

We have been engaged by Avation Plc (the "Company") to review the condensed consolidated financial statements in the half-yearly financial report for the six months ended 31 December 2018 which comprises the Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related notes 1 to 24. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom and Ireland (ISRE 2410). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

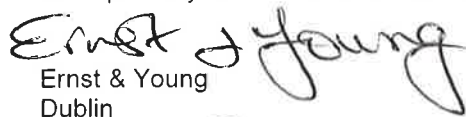
Our responsibility is to express to the Company a conclusion on the condensed consolidated financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with ISRE 2410. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements in the half-yearly financial report for the six months ended 31 December 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.


Ernst & Young
Dublin
Date 20 February 2019

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Note	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Continuing operations			
Revenue	5	58,232	52,385
Other income	6	862	240
		<u>59,094</u>	<u>52,625</u>
Depreciation	11	(19,835)	(14,555)
Gain on disposal of aircraft	17	6,534	-
Impairment loss on aircraft	11	-	(8,019)
Administrative expenses		(5,471)	(4,914)
Other expenses	7	(110)	(20)
Operating profit		<u>40,212</u>	<u>25,117</u>
Finance income	8	1,551	746
Finance expenses	9	(27,547)	(18,590)
Profit before taxation		<u>14,216</u>	<u>7,273</u>
Taxation		(583)	(534)
Profit from continuing operations		<u>13,633</u>	<u>6,739</u>
Profit attributable to:			
Equity holders of the Company		13,632	6,732
Non-controlling interests		1	7
		<u>13,633</u>	<u>6,739</u>
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share		21.56 cents	10.94 cents
Diluted earnings per share		<u>21.53 cents</u>	<u>10.81 cents</u>

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Note	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Profit from continuing operations		<u>13,633</u>	<u>6,739</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		-	(2)
Foreign currency gain on loans		1,254	-
Fair value (loss)/gain on derivative financial instruments	15	<u>(4,369)</u>	<u>1,874</u>
Other comprehensive income, net of tax		(3,115)	1,872
Total comprehensive income for the period		<u>10,518</u>	<u>8,611</u>
Total comprehensive income attributable to:			
Equity holders of the Company		10,517	8,604
Non-controlling interests		<u>1</u>	<u>7</u>
		<u>10,518</u>	<u>8,611</u>

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 Dec 2018 US\$'000s	30 June 2018 US\$'000s
ASSETS:			
Non-current assets			
Property, plant and equipment	11	1,017,039	981,176
Trade and other receivables	12	12,328	6,790
Finance lease receivables	13	40,136	5,529
Goodwill	14	1,902	1,902
Derivative financial instruments	15	4,257	7,848
		<u>1,075,662</u>	<u>1,003,245</u>
Current assets			
Trade and other receivables	12	10,453	3,914
Finance lease receivables	13	6,825	3,199
Options held for trading		-	2,000
Cash and bank balances	16	163,207	91,102
		<u>180,485</u>	<u>100,215</u>
Assets held for sale	17	-	48,745
		<u>180,485</u>	<u>148,960</u>
Total assets		<u>1,256,147</u>	<u>1,152,205</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,102	1,080
Share premium		56,508	53,083
Merger reserve		6,715	6,715
Asset revaluation reserve		27,847	27,847
Capital reserve		8,876	8,876
Other reserves		2,908	6,389
Retained earnings		131,942	124,119
Equity attributable to equity holders of the parent		<u>235,898</u>	<u>228,109</u>
Non-controlling interest		70	69
Total equity		<u>235,968</u>	<u>228,178</u>
Non-current liabilities			
Loans and borrowings	19	885,693	796,896
Trade and other payables		13,496	12,397
Maintenance reserves	20	25,250	22,504
Deferred tax liabilities		3,163	2,988
		<u>927,602</u>	<u>834,785</u>
Current liabilities			
Loans and borrowings	19	78,033	71,704
Trade and other payables		13,316	13,390
Maintenance reserves	20	756	1,040
Income tax payables		472	2,608
		<u>92,577</u>	<u>88,742</u>
Liabilities associated with assets held for sale	17	-	500
		<u>92,577</u>	<u>89,242</u>
Total equity and liabilities		<u>1,256,147</u>	<u>1,152,205</u>

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Note	Attributable to shareholders of the parent									
	Share capital	Share premium	Merger reserve	Asset revaluation reserve	Capital reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s
Balance at 1 July 2018	1,080	53,083	6,715	27,847	8,876	6,389	124,119	228,109	69	228,178
Profit for the period	-	-	-	-	-	-	13,632	13,632	1	13,633
Other comprehensive income	-	-	-	-	-	(3,115)	-	(3,115)	-	(3,115)
Total comprehensive income	-	-	-	-	-	(3,115)	13,632	10,517	1	10,518
Dividend paid	-	-	-	-	-	-	(5,840)	(5,840)	-	(5,840)
Increase in issued share capital	22	3,425	-	-	-	(579)	-	2,868	-	2,868
Warrants expired	-	-	-	-	-	(31)	31	-	-	-
Warrants expense	-	-	-	-	-	244	-	244	-	244
Total transactions with owners, recognised directly in equity	22	3,425	-	-	-	(366)	(5,809)	(2,728)	-	(2,728)
Balance at 31 December 2018	1,102	56,508	6,715	27,847	8,876	2,908	131,942	235,898	70	235,968

Other reserves consist of capital redemption reserve, warrant reserve, fair value reserve and foreign currency translation reserve.

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Note	Attributable to shareholders of the parent									
	Share capital	Share premium	Merger reserve	Asset revaluation reserve	Capital reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s
Balance at 1 July 2017	1,058	48,365	6,715	24,492	8,876	801	105,556	195,863	61	195,924
Profit for the period	-	-	-	-	-	-	6,732	6,732	7	6,739
Other comprehensive income	-	-	-	-	-	1,872	-	1,872	-	1,872
Total comprehensive income	-	-	-	-	-	1,872	6,732	8,604	7	8,611
Increase in issued share capital	17	2,756	-	-	-	(219)	-	2,554	-	2,554
Warrants expired	-	-	-	-	-	(18)	18	-	-	-
Warrants expense	-	1,099	-	-	-	432	(1,447)	84	-	84
Total transactions with owners, recognised directly in equity	17	3,855	-	-	-	195	(1,429)	2,638	-	2,638
Balance at 31 December 2017	1,075	52,220	6,715	24,492	8,876	2,868	110,859	207,105	68	207,173

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Note	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Cash flows from operating activities:			
Profit before taxation		14,216	7,273
Adjustments for:			
Depreciation expense	11	19,835	14,555
Warrants expense		244	84
Impairment loss on aircraft	11	-	8,019
Gain on disposal of aircraft		(6,534)	-
Fair value gain on derivatives	6	(778)	(25)
Foreign exchange loss		68	-
Finance income	8	(1,551)	(746)
Maintenance reserves released	5	-	(10,491)
Finance expense	9	27,547	18,590
Operating cash flows before working capital changes		53,047	37,259
Movement in working capital:			
Trade and other receivables and finance lease receivables		(2,824)	35,629
Trade and other payables		139	1,838
Maintenance reserves		2,462	6,749
Cash from operations		52,824	81,475
Interest income received		988	566
Interest expense paid		(23,743)	(17,633)
Income tax paid		(7,718)	(143)
Net cash from operating activities		22,351	64,265
Cash flows from investing activities:			
Placement of restricted cash balances		(7,101)	(6,034)
Purchase of property, plant and equipment		(95,397)	(286,302)
Proceeds from disposal of aircraft		54,365	-
Net cash used in investing activities		(48,133)	(292,336)
Cash flows from financing activities:			
Net proceeds from issuance of ordinary shares		2,868	2,554
Dividends paid to shareholders	23	(5,840)	(3,664)
Proceeds from loans and borrowings, net of transactions costs		152,418	277,393
Repayment of loans and borrowings		(58,660)	(59,126)
Net cash from financing activities		90,786	217,157
Effects of exchange rates on cash and cash equivalents		-	(2)
Net increase/(decrease) in cash and cash equivalents		65,004	(10,916)
Cash and cash equivalents at beginning of financial period		57,950	56,849
Cash and cash equivalents at end of financial period	16	122,954	45,933

AVATION PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

This interim condensed consolidated financial statements for Avation PLC for the six months ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 20 February 2019.

1 CORPORATE INFORMATION

Avation PLC is a public limited company incorporated in England and Wales under the Companies Act 2006 (Registration Number 05872328) and is listed as a Standard Listing on the London Stock Exchange.

The Group's principal activity is aircraft leasing.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and in accordance with International Accounting Standard (IAS) 34 'Interim Reporting'.

The interim condensed consolidated financial statements do not include all the notes of the type normally included within the annual report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the consolidated entity as the annual report.

It is recommended that the interim condensed consolidated financial statements be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by Avation PLC during the six months ended 31 December 2018.

The accounting policies and methods of computation are the same as those adopted in the annual report for the year ended 30 June 2018 except for the adoption of new accounting standards effective as of 1 July 2018.

The Group has applied IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments for the first time in these interim condensed consolidated financial statements. As required by IAS 34, the nature and effect of these changes are disclosed in Note 3b.

Several other amendments and interpretations which apply for the first time in the six months ended 31 December 2018 do not have an impact on the Group's interim condensed consolidated financial statements.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expenses, assets and liabilities and disclosure of contingencies at the date of the Interim Report, actual results may differ from these estimates.

The statutory financial statements of Avation PLC for the year ended 30 June 2018, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain any statements under section 498 of the Companies Act 2006.

The interim condensed consolidated financial statements are unaudited and reviewed by the auditors.

The interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

3 NEW STANDARDS AND INTERPRETATIONS NOT APPLIED AND STANDARDS IN EFFECT IN 2018

(a) New standards and interpretations not applied

The IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements.

The Group intends to apply these standards and interpretations when they become effective.

International Accounting Standards (IAS/IFRS)	Effective Date (accounting periods commencing after)
IFRS 16 Leases	1 January 2019
IFRIC interpretation 23 Uncertainty over insurance tax treatment	1 January 2019
Amendments to IFRS 9 Prepayment feature of negative compensation	1 January 2019
Amendments to IAS 19 Plan amendment, curtailment or settlement	1 January 2019
Amendments to IAS 28 Long term interests in associates and Joint ventures	1 January 2019
Annual improvements 2015-2017 cycle (issued in December 2017)	1 January 2019
IFRS 17 Insurance contracts	1 January 2021
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associates or joint venture	To be determined

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the Group in future periods.

3 NEW STANDARDS AND INTERPRETATIONS NOT APPLIED AND STANDARDS IN EFFECT IN 2018 (continued)

(b) Standard in effect in 2018

The Group has adopted all new standards that have come into effect during the six months ended 31 December 2018.

Changes in accounting policies

The Group adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments on 1 July 2018. The changes in accounting policies are as follows:

IFRS 15 Revenue from Contracts with Customers

Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled to in exchange for transferring goods or services to a customer. IFRS 15 specifically states that lease contracts within the scope of IFRS 16 Leases are outside the scope of this standard. As the Group derives its revenue primarily from lease rentals under lease contracts within the scope of IFRS 16 Leases, the adoption of this standard did not have a material impact on the financial statements of the Group for the period ended 31 December 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments, which replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning or after 1 January 2018, brings together all three aspects of the accounting for financial instrument classification and measurement; impairment, and hedge accounting.

With the exception of hedge accounting which the Group applied prospectively, the Group has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018.

The Group has not restated comparative information for prior periods as there is no material impact from the implementation of IFRS 9.

a) Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit and loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's debt model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The assessment of the Group's business models was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

3 NEW STANDARDS AND INTERPRETATIONS NOT APPLIED AND STANDARDS IN EFFECT IN 2018 (continued)

Trade and other receivables and finance lease receivables which were classified as loans and other receivables under IAS 39, are classified as financial assets measured at amortised cost under IFRS 9.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

The Group recognised a day-one gain of US\$0.4m related to a current debt modification during this 6 month period. There is no material impact from historical debt modifications and no adjustments have been made to the comparative information for prior periods.

b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected losses. The Group has established a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of the ECL requirements of IFRS 9 did not result in a change in impairment allowances for the Group's debt financial assets in current and prior periods.

c) Hedge accounting

The Group applied the hedge accounting requirements of IFRS 9 prospectively. At the date of initial application all of the Group's existing hedging relationships were eligible to be treated as continuing hedge relationships. The change did not have a significant impact on the current hedging relationships entered into by the Group.

3 NEW STANDARDS AND INTERPRETATIONS NOT APPLIED AND STANDARDS IN EFFECT IN 2018 (continued)

Finance lease

A finance lease is a lease that the Group as the lessor uses to transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At the commencement of the lease term, the Group recognises the minimum lease amounts receivable by the Group as a finance lease receivable and records the unguaranteed residual value as an asset within the same category. The difference between (a) the aggregate of the minimum lease amounts and the unguaranteed residual value and (b) their present value (presented in the statement of financial position as finance lease receivables-net) is recognised as unearned finance income. Minimum lease amounts are the payments over the lease term that the lessee is or can be required to make plus any residual value guaranteed to the lessor by the lessee, or a party unrelated to the lessor.

Unearned finance lease is allocated to each period during the lease term using the effective interest method that allocates each rental between finance income and repayment of capital in each accounting period in such a way that finance income is recognised as a constant periodic rate of return (implicit effective interest rate) on the lessor's net investment in the lease. Lease agreements for which the base rent is based on the floating interest rate existing are included in minimum lease payments based on the floating interest rate existing at the commencement of the lease; any increase or decrease in lease payments that result (from subsequent changes on floating interest rate is recorded as an increase or a decrease in finance lease income in the period of the interest rate change. The accounting policies for interest income from finance leases is detailed in the annual report for the year ended 30 June 2018.

4 FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, trade and other receivables, finance lease receivables – current, trade and other payables - current and loans and borrowings – current are a reasonable approximation of fair value either due to their short-term nature or because the interest rate charged closely approximates market interest rates or that the financial instruments have been discounted to their fair value at a current pre-tax interest rate.

	31 Dec 2018		30 Jun 2018	
	Carrying amount US\$'000s	Fair value US\$'000s	Carrying amount US\$'000s	Fair value US\$'000s
Financial assets:				
Finance lease receivables – non-current	40,136	34,347	5,529	5,197
Financial liabilities:				
Deposits collected – non-current	11,705	10,675	10,338	10,119
Loans and borrowings other than unsecured note– non-current	541,884	533,961	503,374	505,916
Unsecured notes	343,809	352,887	293,522	301,899

The fair values (other than the unsecured notes) above are estimated by discounting expected future cash flows at market incremental leading rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. The fair value of the unsecured notes is based on level 1 quoted prices (unadjusted) in active market that the Group can access at measurement date.

4 FAIR VALUE MEASUREMENT (continued)

Non-financial assets measured at fair value:

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Fair value measurement using significant unobservable inputs		
Aircraft	1,016,996	981,122

Aircraft were valued at 30 June 2018. Refer to Note 11 for the details on the valuation technique and significant inputs used in the valuation.

Classification of financial instruments:

A comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements which are considered to equate to fair value is set out below.

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Financial assets measured at amortised cost:		
Cash and cash balances	163,207	91,102
Trade and other receivables	22,047	9,619
Finance lease receivables	46,961	8,728
	<u>232,215</u>	<u>109,449</u>
Financial liabilities measured at amortised cost:		
Trade and other payables	17,602	15,943
Loans and borrowings	963,726	868,600
	<u>981,328</u>	<u>884,853</u>
Derivative used for hedging:		
Derivative financial instruments - asset	4,257	7,848
Fair value through profit or loss:		
Options held for trading	-	2,000

5 REVENUE

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Lease rental revenue	58,232	41,707
Maintenance reserves released	-	10,491
End of lease return compensation	-	187
	<u>58,232</u>	<u>52,385</u>

Geographical analysis

	Europe US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
31 Dec 2018	13,912	44,320	58,232
31 Dec 2017	22,288	30,097	52,385

6 OTHER INCOME

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Fair value gain on derivatives	778	25
Sale of aircraft parts	-	198
Others	84	17
	<u>862</u>	<u>240</u>

7 OTHER EXPENSES

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Foreign currency exchange loss	110	20
	<u>110</u>	<u>20</u>

8 FINANCE INCOME

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Interest income	327	107
Finance lease interest income	499	443
Finance income from discounting non-current deposits to fair value	181	196
Interest rate swap break gain	174	-
Loan modification gain	370	-
	<u>1,551</u>	<u>746</u>

9 FINANCE EXPENSES

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Interest expense on borrowings	13,159	12,092
Interest expense on unsecured notes	10,445	4,752
Amortisation of loan transaction costs	2,032	1,429
Amortisation of interest expense on non-current deposits	186	191
Finance charges on early full repayment on borrowings	1,362	-
Others	363	126
	<u>27,547</u>	<u>18,590</u>

10 RELATED PARTY TRANSACTIONS

Significant related party transactions:

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Entities controlled by key management personnel (including directors):		
Rental expenses paid	(152)	(98)
Consulting fee paid	(417)	(166)
Interest expense on unsecured notes	-	(204)
		<u>(458)</u>
Director		
Interest expense on unsecured notes	-	(7)
		<u>(7)</u>

11 PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment US\$'000s	Jet aircraft US\$'000s	Turboprop aircraft US\$'000s	Total US\$'000s
31 December 2018:				
Cost or valuation:				
At 1 July 2018	346	713,142	374,876	1,088,364
Additions	2	36,303	59,092	95,397
Disposals/written-off	-	(153)	-	(153)
Reclassified as held under finance leases	-	-	(39,631)	(39,631)
At 31 December 2018	348	749,292	394,337	1,143,977
Representing:				
At cost	348	-	-	348
At valuation	-	749,292	394,337	1,143,629
	348	749,292	394,337	1,143,977
Accumulated depreciation:				
At 1 July 2018	292	51,341	55,555	107,188
Depreciation expense	13	13,355	6,467	19,835
Disposals/written-off	-	(85)	-	(85)
At 31 December 2018	305	64,611	62,022	126,938
Net book value:				
At 1 July 2018	54	661,801	319,321	981,176
At 31 December 2018	43	684,681	332,315	1,017,039

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture and equipment US\$'000s	Jet aircraft US\$'000s	Turboprop aircraft US\$'000s	Total US\$'000s
30 June 2018:				
Cost or valuation:				
At 1 July 2017	432	476,170	336,594	813,196
Additions	19	283,975	38,810	322,804
Disposals/written-off	(105)	-	-	(105)
Reclassified as assets held for sale	-	(51,281)	-	(51,281)
Revaluation recognised in equity	-	4,278	(528)	3,750
At 30 June 2018	346	713,142	374,876	1,088,364
Representing:				
At cost	346	-	-	432
At valuation	-	713,142	374,876	1,088,364
	346	713,142	374,876	1,088,364
Accumulated depreciation and impairment:				
At 1 July 2017	325	25,088	43,052	68,465
Depreciation expense	72	21,709	12,503	34,284
Disposals/written-off	(105)	-	-	(105)
Reclassified as assets held for sale	-	(2,536)	-	(2,536)
Impairment loss	-	7,080	-	7,080
At 30 June 2018	292	51,341	55,555	107,188
Net book value:				
At 1 July 2017	107	451,082	293,542	744,731
At 30 June 2018	54	661,801	319,321	981,176

11 PROPERTY, PLANT AND EQUIPMENT (continued)

Additions and Disposals

During the six months ended 31 December 2018, the Group acquired one narrow-body jet aircraft and three turboprop aircraft of which two turboprop aircraft were reclassified as held under finance leases.

Valuation

The Group's aircraft were valued in June 2018 by independent valuers on lease-encumbered basis ('LEV'). LEV takes into account the current lease arrangements for the aircraft and estimated residual values at the end of the lease. These amounts have been discounted to present value using discount rates of 6.5% per annum for jet aircraft and 8.1% per annum for turboprop aircraft. Different discount rates are considered appropriate for different aircraft based on their respective risk profiles.

Geographical analysis

31 Dec 2018	Europe US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
Capital expenditure	75,847	19,550	95,397
Net book value - aircraft	293,093	723,903	1,016,996
30 Jun 2018	Europe US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
Capital expenditure	36,544	286,260	322,804
Net book value - aircraft	242,772	738,350	981,122

12 TRADE AND OTHER RECEIVABLES

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Current		
Trade receivables	4,642	3,130
Less:		
Impairment loss on trade receivables	(41)	(41)
	4,601	3,089
Other receivables:		
Related parties	-	5
Third parties	5,348	49
Interest receivables	12	-
Deposits	48	48
Prepaid expenses	444	723
	10,453	3,914
Non-current		
Deposits for aircraft	12,038	6,428
Prepaid expenses	290	362
	12,328	6,790

During the six months ended 31 December 2018, the Group exercised the 2 options previously classified as options held for trading and reclassified the US\$2 million to deposits for aircraft.

13 FINANCE LEASE RECEIVABLES

Future minimum lease payments receivable under finance leases are as follows:

	31 Dec 2018		30 Jun 2018	
	Minimum lease payments US\$'000s	Present value of payments US\$'000s	Minimum lease payments US\$'000s	Present value of payments US\$'000s
Within one year	8,225	6,825	3,636	3,199
Later than one year but not more than five years	15,974	12,485	5,707	5,529
More than five years	28,135	27,651	-	-
Total minimum lease payments	52,334	46,961	9,343	8,728
Less: amounts representing interest income	(5,373)	-	(615)	-
Present value of minimum lease payments	46,961	46,961	8,728	8,728

14 GOODWILL

The Group performs its annual impairment test in June and when circumstances indicate the carrying value may be impaired. For the purpose of these financial statements there was no indication of impairment. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 30 June 2018.

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ notional amount		Fair value	
	31 Dec 2018	30 Jun 2018	31 Dec 2018	30 Jun 2018
	US\$'000s	US\$'000s	US\$'000s	US\$'000s
Interest rate swaps – non-current asset	296,097	310,755	4,257	7,848

Hedge accounting has been applied for interest rate swap contracts which have been designated as cash flow hedges. The Group pays fixed rates of interest of 1.57% to 2.63% per annum and receives floating rate interest payments pegged to US\$ LIBOR under the interest rate swap contracts. The swap contracts mature between 23 September 2021 and 22 December 2028.

Changes in the fair values of these interest rate swap contracts are recognised in the fair value reserve. The net fair value loss of US\$4.37 million (31 December 2017: gain of US\$1.87 million) on these derivative financial instruments was recognised in the fair value reserve for the six months ended 31 December 2018.

The fair value of the derivative financial instruments is determined by reference to marked-to-market values provided by counterparties. The fair value measurement of all derivative financial instruments for the Group is classified under Level 2 of the fair value hierarchy, for which inputs other than quoted prices that are observable for the asset or liability, either directly as prices or indirectly derived from prices are included as inputs for the determination of fair value.

16 CASH AND BANK BALANCES

	31 Dec 2018	30 Jun 2018
	US\$'000s	US\$'000s
Fixed deposits	92,900	20,000
Other cash and bank balances	70,307	71,102
Total cash and bank balances	163,207	91,102
Less: restricted	(40,253)	(33,152)
Cash and cash equivalents	122,954	57,950

The Group's restricted cash and bank balances have been pledged as security for certain loan obligations.

In the consolidated statement of cash flows, cash and cash equivalents comprises unrestricted cash and bank balances.

17 ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

As at 31 December 2018, the Group's aircraft which met the criteria to be classified as assets held for sale and the associated liabilities were as follows:

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Assets held for sale:		
Property, plant and equipment - aircraft		
At 1 July 2018/ 1 July 2017	48,745	-
Additions	-	48,745
Disposals	(48,745)	-
At 31 Dec/30 June	<u>-</u>	<u>48,745</u>
Liabilities directly associated with assets held for sale:		
Deposits collected	<u>-</u>	<u>500</u>

During the six months ended 31 December 2018, the Group sold the aircraft held for sale.

The gain on disposal of aircraft of US\$6.5 million substantially includes the gain on recognition of finance lease for two aircraft of US\$0.9 million and a gain from aircraft held for sale of US\$5.2 million.

18 SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	31 Dec 2018		30 Jun 2018	
	No of shares	US\$'000s	No of shares	US\$'000s
Allotted, called up and fully paid				
Ordinary shares of 1 penny each:				
At 1 July 2018/ 1 July 2017	62,760,246	1,080	61,071,246	1,058
Issue of shares	1,721,690	22	1,689,000	22
At 31 Dec/30 June	<u>64,481,936</u>	<u>1,102</u>	<u>62,760,246</u>	<u>1,080</u>

During the six months period ended 31 December 2018, the Company issued 1,721,690 ordinary shares of 1 penny each at 130p following the exercise of warrants by warrant holders raising total gross proceeds of US\$ 2.87m.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

As at 31 December 2018, there are nil shares held as treasury shares (30 June 2018: nil).

18 SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Net asset value per share

	31 Dec 2018	30 Jun 2018
Net asset value per share (US\$) ⁽¹⁾	\$3.66	\$3.64
Net asset value per share (GBP) ⁽²⁾	£2.88	£2.76

⁽¹⁾ Net asset value per share is total equity divided by the total number of shares in issue at period end.

⁽²⁾ Based on GBP:US\$ exchange rate as at 31 Dec 2018 of 1.273 (30 June 2018: 1.321).

19 LOANS AND BORROWINGS

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Secured borrowings	619,917	555,787
Junior secured borrowings	-	19,291
Unsecured notes	343,809	293,522
Total loans and borrowings	963,726	868,600
Less: current portion of secured borrowings	(78,033)	(71,704)
Non-current loans and borrowings	885,693	796,896

	Maturity		Weighted average interest rate per annum	
	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s	31 Dec 2018 %	30 Jun 2018 %
Secured borrowings	2018-2028	2018-2028	4.1%	4.2%
Junior secured borrowings	-	2020-2023	-	6.7%
Unsecured notes	2021	2021	6.5%	6.5%

During the six months ended 31 December 2018, the Group issued US\$ 50 million 6.5% Senior Notes due 2021 under the Group's Global Medium-Term Note Programme. The Notes are listed on the Singapore Exchange (SGX).

Secured borrowings are secured by first ranking mortgages over the relevant aircraft, security assignments of the Group's rights under leases and other contractual agreements relating to the aircraft, charges over bank accounts in which lease payments relating to the aircraft are received and charges over the issued share capital of certain subsidiaries.

Junior secured borrowings are secured by second ranking aircraft mortgages, security assignments and charges over bank accounts.

20 MAINTENANCE RESERVES

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Current	756	1,040
Non-current	25,250	22,504
Total maintenance reserves	26,006	23,544

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
At 1 July 2018/ 1 July 2017	23,544	21,264
Contributions	8,880	13,193
Utilisations	(1,510)	(422)
Released to profit or loss	-	(10,491)
Transferred to buyer upon sale of aircraft	(4,908)	-
At 31 Dec/30 June	26,006	23,544

21 CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	31 Dec 2018 US\$'000s	30 Jun 2018 US\$'000s
Property, plant and equipment	345,461	115,013

Capital commitments represent amounts due under contracts entered into by the group to purchase aircraft. The company has paid deposits towards the cost of these aircraft which are included in trade and other receivables.

As at 31 December 2018, the Group has commitments to purchase eleven ATR 72-600 aircraft and four Airbus A220-300 aircraft from the manufacturers with expected delivery dates from March 2019 to September 2023.

22 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since 30 June 2018.

23 DIVIDENDS

	31 Dec 2018 US\$'000s	31 Dec 2017 US\$'000s
Paid during the six months ended 31 December 2018		
Dividends on ordinary shares		
- First interim dividend for 7.25 US cents (31 Dec 2017: 6.00 US cents) per share	4,550	3,664
- Second interim dividend for 2.00 US cents (31 Dec 2017: Nil US cents) per share	1,290	-

No dividends have been declared subsequent to 31 December 2018.

24 SUBSEQUENT EVENTS

On 18 January 2019, the Group signed lease with a South-Asian airline for the supply of one new ATR 72-600 aircraft for a term of 8 years.

PRINCIPAL RISKS

The Group's risk management processes bring greater judgement to decision making as they allow management to make better, more informed and more consistent decisions based on a clear understanding of risk involved. We regularly review the risk assessment and monitoring process as part of our commitment to continually improve the quality of decision-making across the Group.

The principal risks and uncertainties which may affect the Group in the second half of the financial year will include the typical risks associated with the aviation business, including but not limited to any downturn in the global aviation industry, fuel costs, finance costs, war and terrorism and the like which may affect our airline customers' ability to fulfil their lease obligations.

The business also relies on its ability to source finance on favourable terms. Should this supply of finance contract, it would limit our fleet expansion and therefore growth.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to credit risk and liquidity risk are discussed in the annual report for the Group for the year ended 30 June 2018.

DIRECTORS

The directors of Avation PLC are listed in its Annual Report for the year ended 30 June 2018. A list of the current directors is maintained on the Avation PLC website: www.avation.net

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, this condensed consolidated interim financial information have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely

- an indication of important events that have occurred during the first six months and their impact on the Interim Report, and a description required by the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board



Jeff Chatfield
Executive Chairman
Singapore, 20 February 2019