

Unaudited Third Quarter And Nine-Month Financial Statement For The Period Ended 30 September 2010

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 third quarter ("3Q") and nine-month ended 30 September ("YTD 3Q") 2010. These figures have not been audited.

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

1(a)(i) Income statement

	Group					
	3Q 2010	3Q 2009	Change	YTD 3Q 2010	YTD 3Q 2009	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1,172,625	1,169,186	0%	4,009,496	3,503,146	14%
Cost of sales	(889,283)	(906,192)	-2%	(3,060,974)	(2,750,844)	11%
Gross profit	283,342	262,994	8%	948,522	752,302	26%
Other income/(expenses)	12,401	22,535	-45%	30,797	50,625	-39%
Selling and distribution expenses	(129,341)	(127,862)	1%	(436,699)	(386,915)	13%
Research and development costs	(22,605)	(24,636)	-8%	(61,221)	(59,799)	2%
General and administrative expenses	(46,810)	(33,089)	41%	(145,115)	(162,879)	-11%
Profit from operations	96,987	99,942	-3%	336,284	193,334	74%
Finance costs	(11,346)	(6,614)	72%	(36,781)	(22,089)	67%
Share of profit of associates, net of tax	741	5,224	-86%	2,079	9,914	-79%
Profit before taxation	86,382	98,552	-12%	301,582	181,159	66%
Taxation	(15,509)	(12,950)	20%	(49,637)	(23,772)	109%
Profit after taxation	70,873	85,602	-17%	251,945	157,387	60%

Net Profit Attributable to :

Shareholders of the Company	20,633	44,708	-54%	88,712	93,700	-5%
Minority Interests	50,240	40,894	23%	163,233	63,687	156%
	70,873	85,602	-17%	251,945	157,387	60%

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

	Group			Group		
	3Q 2010 \$'000	3Q 2009 \$'000	Change %	YTD 3Q 2010 \$'000	YTD 3Q 2009 \$'000	Change %
Profit from operations include the following:						
Gain/(loss) on disposal of property, plant and equipment	348	(664)	NM	2,379	(1,112)	NM
(Impairment loss)/reversal of impairment on property, plant and equipment, intangibles and assets held for sale	(6,309)	-	NM	(5,505)	(13,851)	-60%
Allowance written back/(made) for trade and other receivables/(bad debts written off) ⁽¹⁾	5,350	488	997%	(1,696)	(7,977)	-79%
Allowance written back/(made) for stock obsolescence	107	(27)	NM	3,892	(7,752)	NM
Provisional negative goodwill on acquisition of subsidiary companies ⁽²⁾	-	17,994	NM	-	37,124	NM
Depreciation and amortisation	(25,269)	(26,596)	-5%	(79,519)	(76,233)	4%
Foreign exchange gain/(loss)	2,517	(1,475)	NM	1,617	(86)	NM

NM: Not meaningful

(1) Arising from an ongoing review of specific provision of doubtful debts, the Group wrote back \$5,350,000 of the provision in 3Q 2010 as compared to \$488,000 in 3Q 2009.

(2) Although the Group had completed its purchase price allocation within the 12-month period specified in FRS103, the amount of goodwill shown under 3Q 2009 and YTD 3Q 2009 was still provisional as at end of September 2009. The purchase price allocation exercise was completed in the fourth quarter of 2009 and the difference between the final goodwill amount and all the provisional goodwill amounts recognized prior to 31 December 2009 was reflected in the 2009 full year results of the Group.

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

The Group's tax charge for 3Q 2010 included a write-back of over provision of \$466,000 (3Q 2009: under provision of \$561,000) in respect of prior years. The Group's tax charge for YTD 3Q 2010 included a write-back of over provision of \$3,602,000 (YTD 3Q 2009: over provision of \$5,306,000) in respect of prior years.

1(a)(iv) Statement of Comprehensive Income

	Group			Group		
	3Q 2010 \$'000	3Q 2009 \$'000	Change %	YTD 3Q 2010 \$'000	YTD 3Q 2009 \$'000	Change %
Profit for the period	70,873	85,602	-17%	251,945	157,387	60%
Other comprehensive income:						
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	(71,163)	(45,570)	56%	(78,065)	(26,856)	191%
Net fair value changes	3,441	13,755	-75%	4,058	14,031	-71%
Share of other comprehensive income of associates	-	2,783	NM	-	12,731	NM
Total comprehensive income	3,151	56,570	-94%	177,938	157,293	13%
Attributable to:						
Shareholders of the Company	(1,777)	42,216	NM	65,308	108,477	-40%
Minority interests	4,928	14,354	-66%	112,630	48,816	131%
	3,151	56,570	-94%	177,938	157,293	13%

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	
	30/09/10	31/12/09	30/09/10	31/12/09
Non-current assets				
Property, plant and equipment	1,109,601	1,133,128	359	495
Prepaid operating leases	122,285	117,437	-	-
Intangibles	68,323	68,733	643	844
Investment in subsidiaries	-	-	231,945	231,945
Investment in associates	32,446	33,421	14,695	14,695
Investment in jointly controlled entity	-	-	15,000	15,000
Investment properties	7,329	7,008	-	-
Other investments	2,143	2,259	-	-
Deferred tax assets	71,932	67,704	-	-
Other non-current receivables	8,700	6,790	-	-
	1,422,759	1,436,480	262,642	262,979
Current assets				
Other investments	1,430	1,331	36	34
Inventories	582,390	669,287	-	-
Development properties	16,998	18,879	-	-
Trade and other receivables	1,576,047	940,229	159,723	175,440
Cash and bank	847,959	1,076,233	1,063	7,859
Assets classified as held for sale	46,226	98,981	37,301	39,326
	3,071,050	2,804,940	198,123	222,659
Current liabilities				
Trade and other payables	2,003,961	1,851,669	27,823	55,936
Provisions	81,672	66,371	-	-
Financial liabilities	269,154	225,373	117,241	105,223
Provision for taxation	33,324	45,453	-	-
Liabilities classified as held for sale	3,943	4,586	-	-
	2,392,054	2,193,452	145,064	161,159
Net current assets	678,996	611,488	53,059	61,500
Non-current liabilities				
Financial liabilities	226,074	300,642	-	-
Deferred tax liabilities	31,391	32,198	457	457
Deferred grants	21,687	258	-	-
Retirement benefits	250	221	-	-
	279,402	333,319	457	457
Net assets	1,822,353	1,714,649	315,244	324,022
Capital and reserves				
Share capital	266,143	264,996	266,143	264,996
Reserves	463,922	443,057	49,101	59,026
	730,065	708,053	315,244	324,022
Minority interests	1,092,288	1,006,596	-	-
Total Equity	1,822,353	1,714,649	315,244	324,022

Note: Financial liabilities comprise loans and borrowings, details of which can be found in Section 1(b)(ii) of this announcement.

Explanatory Notes to Statement of Financial Position

Group

- Compared to 31 December 2009, total assets as at 30 September 2010 increased by about \$252 million due largely to increase in trade and other receivables in the Group's white goods and diesel engine businesses, the former due to higher sales revenue in 3Q 2010 compared to the year-end period in 2009. Customers of the Group's diesel engine business also tend to settle their debts by year-end in order to qualify for sales discounts. The increase in total assets was partly compensated by lower bank balances, inventories, a reduction in assets classified as held for sale as well as sales of real estate by a Malaysian subsidiary of the Group. Further impairments in respect of the Group's property, plant and equipment in the quarry on Karimun Island and in the green technology pallet plant were made in 3Q 2010. Total liabilities as at 30 September 2010 compared to 31 December 2009 also rose, primarily from increase in trade and other payables which was consistent with the increased sales.
- The major factor for the increase in net current assets for the two comparative dates as at 31 December 2009 and 30 September 2010 was due to higher trade debts arising from higher sales in 3Q 2010 compared to the last quarter of 2009. This was partly negated by two other major factors, being lower cash and bank balances and increase in trade and other payables.
- As reported in earlier announcements, the higher deferred grant as at 30 September 2010 was a result of grants given by the Chinese Government to one of the Group's China subsidiaries for research and development activities.

Company

- Except for a decrease in trade and other receivables arising from settlement by customers and dividends paid during the year which lowered reserves and a marginal increase in bank borrowings to increase the Group's equity stake in one of the subsidiary companies, there were no other material variances of key balance sheet items between the two comparative dates as at 31 December 2009 and 30 September 2010.

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

Amount repayable in one year or less, or on demand

As at 30/09/2010		As at 31/12/2009	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$47,758,916	\$221,394,623	\$44,366,910	\$181,006,077

Amount repayable after one year

As at 30/09/2010		As at 31/12/2009	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$128,762,808	\$97,310,819	\$169,911,582	\$130,730,141

Details of any collateral

The secured banking facilities of the Group, comprising term loans are secured on the assets of certain subsidiaries with a total carrying value as at 30 September 2010 of \$292,267,000 (31 December 2009: \$287,537,000).

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

	3Q 2010 \$'000	3Q 2009 \$'000	YTD 3Q 2010 \$'000	YTD 3Q 2009 \$'000
Operating Activities				
Profit before income tax	86,382	98,552	301,582	181,159
Adjustment for :				
Dividends and interest income	(4,414)	(4,187)	(12,845)	(7,459)
Finance costs	11,346	6,614	36,781	22,089
Depreciation and amortisation	25,269	26,596	79,519	76,233
Share of profit of associates	(741)	(5,224)	(2,079)	(9,914)
(Gain)/loss on disposal of property, plant and equipment	(348)	664	(2,379)	1,112
Cost of share-based payment	23	(2)	105	151
Impairment losses/(reversal) on property, plant and equipment and assets held for sale	6,309	-	5,505	13,851
Negative goodwill for acquisition of subsidiaries & associates	-	(17,994)	-	(20,267)
Loss on disposal of investment	-	-	6	-
Gain on disposal of assets held for sale	(435)	-	(435)	-
Gain on disposal/liquidation of subsidiaries	(54)	-	(576)	(7)
Provision for warranties and other costs, net	18,696	21,730	78,643	67,806
Operating profit before working capital changes	142,033	126,749	483,827	324,754
Changes in working capital:				
Inventories	9,830	27,985	56,321	201,732
Trade and other receivables	(55,469)	38,033	(735,751)	(261,667)
Trade and other payables	(88,955)	73,720	267,829	630,092
Provisions utilised	(22,662)	(19,231)	(59,114)	(62,730)
	(15,223)	247,256	13,112	832,181
Income tax paid	(12,547)	(3,941)	(67,906)	(15,420)
Cash flows from operating activities	(27,770)	243,315	(54,794)	816,761
Investing Activities				
Interests and dividends received	5,995	22,174	14,679	25,923
Proceeds from disposal of subsidiary, net of cash disposed	377	-	373	464
Proceeds from disposal of investments	-	-	35	-
Proceeds from disposal of property, plant and equipment	1,583	2,992	9,747	4,747
Proceeds from disposal of assets held for sale	62,250	-	62,250	-
Acquisition of subsidiaries and businesses, net of cash acquired	-	-	-	10,570
Purchase of additional shareholding in subsidiaries	(6,005)	(21,150)	(12,215)	(21,150)
Investments in associates and joint ventures	-	-	-	(460)
Purchase of property, plant and equipment	(44,250)	(59,771)	(100,553)	(137,503)
Payment of prepaid operating leases	-	(27,696)	(14,664)	(33,388)
Purchase of intangible assets	(19)	-	(301)	(79)
Purchase of other investments	-	-	-	(41)
Cash flows from investing activities	19,931	(83,451)	(40,649)	(150,917)
Financing Activities				
Proceeds from share issue	47	112	1,147	112
Grant received from government	-	-	22,601	-
Capital contribution by minority shareholders of a subsidiary	-	-	9,898	8,194
Capital reduction by a subsidiary	(7,169)	-	(7,169)	-
Proceeds from bank borrowings	16,488	94,859	120,386	300,766
Repayment of bank borrowings	(97,096)	(95,769)	(165,181)	(312,067)
Dividends paid to shareholders of the Company	(11,207)	(11,442)	(37,354)	(19,070)
Dividends paid to minority shareholders of subsidiaries	-	(4,617)	(24,579)	(7,262)
Fixed deposits pledged with banks	-	42	20,892	41
Interest paid	(11,450)	(6,801)	(38,868)	(24,895)
Cash flows from financing activities	(110,387)	(23,616)	(98,227)	(54,181)
Net (decrease)/increase in cash and cash equivalents	(118,226)	136,248	(193,670)	611,663
Cash and cash equivalents at beginning of the period	975,703	702,990	1,054,674	238,017
Effects of exchange rate changes on cash and cash equivalents	(24,373)	(15,956)	(27,900)	(26,398)
Cash and cash equivalents at end of the period	833,104	823,282	833,104	823,282
Comprising:				
Fixed deposit, bank and cash balances			847,959	834,395
Less: Bank overdraft			(14,806)	(10,870)
Fixed deposits pledged			(50)	(243)
			833,104	823,282

The attributable net assets of subsidiaries acquired/disposed during the period are as follows:

	3Q 2010 \$'000	3Q 2009 \$'000	YTD 3Q 2010 \$'000	YTD 3Q 2009 \$'000
Acquisitions				
Non-current assets	-	48,445	-	306,420
Net current assets	-	-	-	174,679
Non-current liabilities	-	(4,449)	-	(25,321)
Minority Interest	-	(12,042)	-	(110,931)
Revaluation reserves	-	(13,960)	-	(13,960)
Amount previously accounted for as associate	-	-	-	(164,406)
Goodwill	-	(17,994)	-	(12,741)
Currency translation differences	-	-	-	15
Total consideration	-	-	-	153,755
Less: Consideration to be settled by debts set-off	-	-	-	(54,155)
Less: Cash & cash equivalents of subsidiary acquired	-	-	-	(110,170)
Acquisition of subsidiary, net of cash acquired	-	-	-	(10,570)
Disposals				
Non-current assets	64	-	64	-
Net current assets	1,113	-	1,113	-
Non-current liabilities	-	-	-	460
Minority Interest	(576)	-	(576)	-
Realisation of translation difference	(5)	-	(531)	-
Gain on disposal/liquidation of subsidiaries	54	-	576	7
Total cash consideration	650	-	646	467
Less: Cash and bank balances of subsidiaries disposed	(273)	-	(273)	(3)
Disposal/liquidation of subsidiaries, net of cash disposed	377	-	373	464

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	Equity Compensation Reserve \$'000	Translation Reserve \$'000	Premium paid on acquisition of minority Interests \$'000	Reserve of disposal group classified held for sale S\$'000	Revenue Reserve \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
The Group												
At 1 January 2009	278,664	(34,684)	22,267	22,664	1,805	(13,135)	-	-	303,304	580,885	895,322	1,476,207
Total comprehensive income for the period	-	-	-	(2,838)	-	26,016	-	-	23,229	46,407	49,511	95,918
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Cost of share-based payment	-	-	-	-	99	-	-	-	-	99	-	99
Transfer to capital reserves	-	(77)	-	-	-	-	-	-	77	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	97,284	97,284
At 31 March 2009	278,664	(34,761)	22,267	19,826	1,904	12,881	-	-	326,610	627,391	1,042,117	1,669,508

At 1 April 2009	278,664	(34,761)	22,267	19,826	1,904	12,881	-	-	326,610	627,391	1,042,117	1,669,508
Total comprehensive income for the period	-	-	-	12,816	-	(18,728)	-	-	25,766	19,854	(15,049)	4,805
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Cost of share-based payment	-	-	-	-	54	-	-	-	-	54	-	54
Transfer from statutory reserve	-	-	3,204	-	-	-	-	-	-	3,204	-	3,204
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(7,628)	(7,628)	-	(7,628)
Purchase/additional shareholding in subsidiaries	-	-	-	-	-	-	-	-	-	-	9,799	9,799
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,645)	(2,645)
At 30 June 2009	278,664	(34,761)	25,471	32,642	1,958	(5,847)	-	-	344,748	642,875	1,034,222	1,677,097

At 1 July 2009	278,664	(34,761)	25,471	32,642	1,958	(5,847)	-	-	344,748	642,875	1,034,222	1,677,097
Total comprehensive income for the period	-	-	-	14,033	-	(16,525)	-	-	44,708	42,216	14,354	56,570
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Share issues during the period	112	-	-	-	-	-	-	-	-	112	-	112
Cost of share-based payment	-	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(11,442)	(11,442)	-	(11,442)
Acquisition of business combination and others	-	10,717	23	-	-	-	-	-	3,882	14,622	1,899	16,521
Net profit for the period	-	-	-	-	-	-	-	-	-	-	(4,617)	(4,617)
At 30 September 2009	278,776	(24,044)	25,494	46,675	1,956	(22,372)	-	-	381,896	688,381	1,045,858	1,734,239

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

Statement of Changes in Equity	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	Equity Compensation Reserve \$'000	Translation Reserve \$'000	Premium paid on acquisition of minority interests \$'000	Reserve of disposal group classified held for sale S\$'000	Revenue Reserve \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
The Group												
At 1 January 2010	264,996	(28,672)	29,664	44,015	2,009	(18,757)	-	-	414,798	708,053	1,006,596	1,714,649
Total comprehensive income for the period	-	-	-	(105)	-	2,107	-	-	35,858	37,860	70,297	108,157
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Share issues during the period	1,062	-	-	-	-	-	-	-	-	1,062	-	1,062
Cost of share-based payment	-	-	-	-	54	-	-	-	-	54	-	54
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(9,499)	(9,499)
Shares issued to minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	5,962	5,962
Acquisition of business combination and others	-	-	-	-	-	-	-	-	(143)	(143)	217	74
Changes in ownership interests in subsidiaries that do not result in a loss of control												
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	-	(3,879)	(3,879)
Premium paid on acquisition of minority interest	-	-	-	-	-	-	(2,331)	-	-	(2,331)	-	(2,331)
At 31 March 2010	266,058	(28,672)	29,664	43,910	2,063	(16,650)	(2,331)	-	450,513	744,555	1,069,694	1,814,249
At 1 April 2010	266,058	(28,672)	29,664	43,910	2,063	(16,650)	(2,331)	-	450,513	744,555	1,069,694	1,814,249
Total comprehensive income for the period	-	-	-	722	-	(3,718)	-	-	32,221	29,225	37,405	66,630
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Share issues during the period	38	-	-	-	-	-	-	-	-	38	-	38
Cost of share-based payment	-	-	-	-	28	-	-	-	-	28	-	28
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(26,147)	(26,147)	-	(26,147)
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(15,080)	(15,080)
Shares issued to minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,936	3,936
At 30 June 2010	266,096	(28,672)	29,664	44,632	2,091	(20,368)	(2,331)	-	456,587	747,699	1,095,955	1,843,654
At 1 July 2010	266,096	(28,672)	29,664	44,632	2,091	(20,368)	(2,331)	-	456,587	747,699	1,095,955	1,843,654
Total comprehensive income for the period	-	-	-	3,441	-	(25,851)	-	-	20,633	(1,777)	4,928	3,151
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Share issues during the period	47	-	-	-	-	-	-	-	-	47	-	47
Cost of share-based payment	-	-	-	-	23	-	-	-	-	23	-	23
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-	-	(7,169)	(7,169)
Reserve attributable to disposal group classified as held for sale	-	-	-	442	(519)	750	-	(673)	-	-	-	-
Realisation of reserves upon disposal of disposal group classified as held for sale	-	-	-	(5,918)	28	(32)	-	435	-	(5,487)	5,922	435
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(11,207)	(11,207)	-	(11,207)
Changes in ownership interests in subsidiaries that do not result in a loss of control												
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	-	(7,348)	(7,348)
Premium paid on acquisition of minority interest	-	-	-	-	-	-	767	-	-	767	-	767
At 30 September 2010	266,143	(28,672)	29,664	42,597	1,623	(45,501)	(1,564)	(238)	466,013	730,065	1,092,288	1,822,353

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

Statement of Changes In Equity	Share Capital \$'000	Capital Reserves \$'000	Fair Value Reserves \$'000	Compensation Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
The Company						
At 1 January 2009	278,664	9,199	-	1,289	27,100	316,252
Total comprehensive income for the period	-	-	(2)	-	(2,107)	(2,109)
Cost of share-based payment	-	-	-	99	-	99
At 31 March 2009	278,664	9,199	(2)	1,388	24,993	314,242

At 1 April 2009	278,664	9,199	(2)	1,388	24,993	314,242
Total comprehensive income for the period	-	-	5	-	(4,764)	(4,759)
Cost of share-based payment	-	-	-	54	-	54
Dividends	-	-	-	-	(7,628)	(7,628)
At 30 June 2009	278,664	9,199	3	1,442	12,601	301,909

At 1 July 2009	278,664	9,199	3	1,442	12,601	301,909
Total comprehensive income for the period	-	-	3	-	35,007	35,010
Share issues during the period	112	-	-	-	-	112
Cost of share-based payment	-	-	-	(2)	-	(2)
Dividends	-	-	-	-	(11,442)	(11,442)
At 30 September 2009	278,776	9,199	6	1,440	36,166	325,587

At 1 January 2010	264,996	9,199	5	1,496	48,326	324,022
Total comprehensive income for the period	-	-	(2)	-	(3,429)	(3,431)
Share issues during the period	1,062	-	-	-	-	1,062
Cost of share-based payment	-	-	-	54	-	54
At 31 March 2010	266,058	9,199	3	1,550	44,897	321,707

At 1 April 2010	266,058	9,199	3	1,550	44,897	321,707
Total comprehensive income for the period	-	-	5	-	11,247	11,252
Share issues during the period	38	-	-	-	-	38
Cost of share-based payment	-	-	-	28	-	28
Dividends	-	-	-	-	(26,147)	(26,147)
At 30 June 2010	266,096	9,199	8	1,578	29,997	306,878

At 1 July 2010	266,096	9,199	8	1,578	29,997	306,878
Total comprehensive income for the period	-	-	(1)	-	19,504	19,503
Share issues during the period	47	-	-	-	-	47
Cost of share-based payment	-	-	-	23	-	23
Dividends	-	-	-	-	(11,207)	(11,207)
At 30 September 2010	266,143	9,199	7	1,601	38,294	315,244

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

	Number of Shares	Issued and Paid-Up Capital
Ordinary Shares		\$'000
Balance as at 1 July 2010	373,540,359	266,096
Shares issued for cash upon the exercise of options under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme")	33,000	47
Balance as at 30 September 2010	373,573,359	266,143

The Company did not hold any treasury shares as at 30 September 2010 and 30 September 2009.

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

During 3Q 2010, the following options were exercised pursuant to the terms of the Scheme:

Year of Grant	Exercise Price Per Share	3Q 2010	Cumulative To Date
2001	\$0.41	-	6,107,000
2002	\$1.00	-	1,153,800
2003	\$1.79	-	-
2004	\$1.51	-	809,000
2005	\$1.28	-	247,700
2007	\$1.88	-	946,400
2008	\$2.36	-	196,800
2009	\$1.42	33,000	33,000
Total		33,000	9,493,700

As at 30 September 2010, there were a total of 1,305,200 (30 September 2009: 2,489,200) unissued shares under options granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2007	\$1.88	85,000
2008	\$2.36	1,153,200
2009	\$1.42	67,000
Total		1,305,200

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 Company did not hold any treasury shares as at 30 September 2010 and 31 December 2009.

The total number of issued ordinary shares as at 30 September 2010 and 31 December 2009 were 373,573,359 and 372,956,359 respectively.

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

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 2010.

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

The figures have not been audited nor 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 2009.

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 adopted the following revised accounting standards that are effective for annual periods beginning on or after 1 July 2009. Insofar as the Group is concerned, these revised accounting standards are effective on 1 January 2010 as 2010 is the first annual period for the Group subsequent to 1 July 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the amended FRSs that are relevant to the Group:

FRS 27 (revised)	Consolidated and Separate Financial Statements
FRS 103 (revised)	Business Combination

The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss.

FRS 103 (revised 2009) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (previously minority interests).

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.

Earnings per ordinary share based on net profit attributable to shareholders	3Q 2010	3Q 2009	YTD 3Q 2010	YTD 3Q 2009
(i) Based on the weighted average number of ordinary shares in issue (cts)	5.52	11.72	23.75	24.57
(ii) On a fully diluted basis (cts)	5.52	11.72	23.72	24.57

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	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
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 end of the financial year (cts)	195.43	190.73	84.39	86.88

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.

3rd Quarter (3Q) – 2010 versus 2009

As announced in 3Q 2009, profit after tax in 3Q 2009 included \$18 million in provisional negative goodwill. This provisional negative goodwill arose from the acquisition of shares in Tasek Corporation Berhad ("Tasek"). Had this provisional negative goodwill been disregarded, profit after tax in 3Q 2009 would have been \$67.6 million compared to \$70.9 million. On a comparable basis, 3Q 2010 profit after tax thus grew by 4.8 percent over 3Q 2009.

Although the Asian economies continued to show good growth, turnover of the Group in 3Q 2010 was affected by de-stocking of diesel engines by dealers and manufacturers of automobiles (which also affected diesel engine manufacturers in the industry in China) as well as pricing pressure in building materials and white goods. Unit sales of diesel engines fell more than 5 percent. Lack of new incentives from the Chinese government, except for the incentives granted to purchasers of environmentally friendly cars below 1,600 cc, and rising borrowing costs also impacted sales of diesel engines. While Consumer Products Unit ("Xinfei") increased its domestic unit sales of white goods by 16.3 percent, excess manufacturing capacity which limited the ability to pass on cost increases to consumers, and promotional push in the sales of the more basic models of refrigerators to counter the pricing strategy of China domestic competition affected the revenue growth of Xinfei. Biddings for subcontracting construction works remained competitive putting pressure on the values of contracts secured by the Building Material Unit ("BMU") even though volumes of ready-mix concrete and trading activity surged in 3Q 2010 compared to 3Q 2009. The Renminbi also weakened against the Singapore dollar in 3Q 2010 (relative to 3Q 2009) which had an estimated \$26 million negative impact on the total sales revenue. The combination of these factors resulted in sales revenue being flat for the quarter under review.

Gross profit however, rose 8 percent for the periods under comparison despite revenue being flat. The Group's Diesel Engine Unit ("Yuchai") benefited from favourable sales mix as well as improved gross profit margin from sales of higher emission standard engine and stronger profit from sales of diesel engine spare parts. Xinfei was a beneficiary of higher unit sales of white goods which led to higher gross profit. Gross profit in 3Q 2009 was also affected by a reclassification of labour insurance costs from General and Administrative (G&A) expenses to Cost of Sales on account of such costs being related to production. Further impairment charges to assets belonging to the quarry in Karimun and the green technology pallet plant limited the improvement in gross profit.

Other income fell due largely to the absence of provisional negative goodwill on acquisition of additional shares in Tasek even though interest income was higher in 3Q 2010 compared to 3Q 2009.

Selling and distribution ("S&D") expenses increased marginally due mainly to two factors, viz., (1) higher warranty and delivery costs incurred by Xinfei due to increased sales volume; and (2) increased sales and marketing activities by both Yuchai and Xinfei. 3Q 2009 S&D expenses also reflected some staff costs which were previously treated as part of G&A expenses.

Research and development (“R&D”) costs were lower by about \$2 million due to timing difference in the incurrence of mould costs by Xinfei.

G&A expenses were higher due to reclassification of part of its staff costs from G&A to Cost of Sales and S&D in 3Q 2009 to better reflect the functions of the employees.

Finance costs increased from two main factors, viz., higher interest rate incurred on Malaysian Ringgit borrowings to fund investments in Tasek and increase in bill discounting rates in China.

Share of profits of associates in 3Q 2009 included a gain on the sale of quoted securities by an associate company of the Group and this was the primary factor accounting for the decline in share of profits in 3Q 2010.

The effective tax rate for the Group rose to 18.0 percent in 3Q 2010 against 13.1 percent in 3Q 2009. The lower effective tax rate in 3Q 2009 was due to non-taxability of two items, viz., (1) gain on sale of quoted securities by an associate company of the Group and (2) provisional negative goodwill arising from the further acquisition of shares in Tasek. The non-deductibility of impairment charges for tax purpose was also a factor.

Year-to-date September (YTD September) – 2010 versus 2009

On the back of a strong first half (“1H”) 2010 growth, YTD September 2010 profit attributable to shareholders of the Company (“PATMI”) was marginally better than the same period last year despite the absence of the Group’s share of provisional negative goodwill of \$35.3 million (gross of \$37.1 million). Had this provisional negative goodwill been excluded from YTD September 2009 PATMI, the PATMI for YTD September 2010 would have surpassed the same period of last year by about 52.0 percent. Strong revenue growth combined with a 2.2 percentage points gain in gross profit margin were the main contributors to this strong performance.

The lower economic growth in 3Q 2010 as well as de-stocking by the trade on diesel engines lowered YTD September 2010 revenue growth to 14.0 percent, down from 22.0 percent year-on-year growth achieved in 1H 2010. Nonetheless, unit sales of diesel engines still surged 19.0 percent in YTD September 2010 compared to the same period last year aided by a growing logistics industry and increase in automobile demand in China. With the continuation of the rural subsidy program and rising income level, Xinfei sold more than 3.1 million units of white goods this year, a 15.7 percent increase year-on-year. More green technology pallets were also sold this year. Competitive pricing continued to affect BMU and excess plant capacity dampened business volumes.

In line with the strong volume growth by Yuchai and Xinfei as well as favourable sales mix and raw material prices coupled with higher sales of diesel engine spare parts achieved by Yuchai, gross profit rose by 26.0 percent. This translated to a near two-fold increase over the growth in sales revenue. Other contributory factors were lower impairment losses in BMU and Yuchai and the non-recurrence of provision for stock obsolescence in BMU, both of which hurt margin in YTD September 2009. However further impairments to assets belonging to the quarry in Karimun and the green technology pallet plant limited the year-on-year improvement in gross profit. Included in gross profit was a sum of \$11.9 million (RMB57.7 million) in accrued government subsidy for sales of air-conditioners under one of the Chinese government’s stimulus programs targeted at air-conditioners manufacturers. Certain criteria must be met in terms of product specifications, sales and installation of air-conditioners before the subsidy could be paid by the Chinese government to the manufacturer.

Total provisional negative goodwill recognized in YTD September 2009 was \$37.1 million and this was reflected in Other Income. There was no negative goodwill in YTD September 2010. Higher interest income, gain on sale of a factory building and amortized grant from the Chinese government for R&D projects contributed largely to Other Income this year. These factors collectively accounted for a large part of the variance in the Other Income between the two comparative periods.

Increases in sales volumes of white goods, diesel engines and industrial packaging products resulted in an increase in S&D expense. Other factors were increased sales and marketing activities embarked by both Xinfei and Yuchai to counter price competition.

The Group continued to place emphasis on new product development and innovations. This resulted in additional spending on mould costs, increased staff costs to retain experienced and qualified research engineers, certification fees and hire of outside expertise.

G&A expenses fell by 11.0 percent year-on-year as YTD September 2009 included the following charges, viz., (1) impairment charge on two real estate properties and plant and equipment owned by

Yuchai; (2) additional accrual for performance-related staff costs which were more than compensated by a reclassification of some staff costs from G&A to S&D expenses and Cost of Sales; and (3) provision for stock obsolescence. There was also a reversal on impairment made previously in respect of 'assets held for sale' due to an increase in the market value of the assets. Variances in finance costs and share of profits of associates were largely similar to the reasons given in the 3Q 2009 versus 3Q 2010 comparative analysis.

Taxation was higher as a result of higher pre-tax profit. The effective tax rate for YTD September 2010, at 16.5 percent, was 3.4 percentage points higher than the corresponding period last year because of non-taxability of provisional negative goodwill and gain from sale of quoted securities as well as non-tax deductibility of impairments to fixed assets. A secondary contributory factor was change in the proportions of profit contributions of the various business units with their different corporate income tax rates.

Working Capital and Cash Flow

Despite lower profit before income tax achieved in 3Q 2010 versus 3Q 2009, operating profit before working capital changes improved from \$126.7 million in 3Q 2009 to \$142.0 million in 3Q 2010. The main reason was the inclusion in the pre-tax profit for 3Q 2009 of about \$18.0 million in negative goodwill which was not a cash generating item.

Lower cash flow was generated from operating activities as Xinfei trade debts rose due to increased sales and less bills being discounted, the latter a result of Xinfei having repaid its borrowings used to finance its plant expansion. Yuchai discharged its trade liabilities in contrast to 3Q 2009 where trade payable was a source of funds due to timing difference. A slowdown in diesel engine sales also resulted in lower inventory holdings in Yuchai compared to the same period last year.

Largely as a result of proceeds received from the partial sale of 'assets held for sale', the Group generated \$19.9 million in cash inflow from investing activities. Fixed asset investments fell largely due to the completion of both the Phase I foundry at Yulin and the plant in Xiamen. No further investment in land was made in 3Q 2010 in contrast to 3Q 2009 when Yuchai invested in real estate, through a joint-venture company, for the construction of a plant to make passenger cars. Dividend income in the current quarter was lower as an associate company (Singapore Cement Industrial Company (Private) Limited) did not pay any dividend this year. It paid \$18.5 million in 3Q 2009. This associate company is in the process of being liquidated. In 3Q 2009, the Group increased its equity stake in Island Concrete (Private) Limited, a company within BMU, by buying out the stake of its Japanese joint-venture partner.

Cash outflow from financing activities increased by about \$86.8 million in 3Q 2010 compared to 3Q 2009. This was due to a substantial \$79.7 million net reduction in bank borrowings and to a lesser degree, capital reduction by Tasek and higher interest paid largely by Yuchai.

Cash and cash equivalents at the end of 3Q 2010, stood at \$833.1 million, a \$9.8 million higher than \$823.3 million achieved at the end of 3Q 2009. Although cash flow from operating activities fell and the Group repaid more bank borrowings, these were more than adequately compensated by lower fixed asset investments, proceeds from the partial sale of 'assets held for sale' and cash generated from past periods.

9. Where a forecast, or a 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.

As expected, recent cooling measures have already led to slower economic growth in China. Fears of inflationary pressure, fuelled by too much liquidity in the market and rising wages have caused the Chinese government to recently increase its key lending rates by 25 basis points. With increasing tension caused by pressure on the Chinese government to allow an appreciation of the Renminbi, there is now increased uncertainty on the global economic front which could have a stifling effect on the Asian economies. Recent measures by the Chinese government to reduce the scale of its subsidy program for airconditioners and a re-defining of requirements on white goods that qualify under the rural subsidy program coupled with the colder weather in Northern China during the next few months may affect sales growth and profitability of white goods. The ten-year extended warranty period on sales of white goods, which was previously reported to be attributed as a requirement

under the rural subsidy program was in fact a marketing and sales strategy of Xinfai. This warranty period is now further extended to 12 years in order to remain competitive. A lack of new initiatives and China's commitment to reduce carbon emission, combined with increased business costs, may cause a slowdown in the sales of diesel engines.

On the other hand, as previously announced in the financial results for the second quarter of 2010, higher wages will translate to higher disposal income which is likely to have the positive effect of increasing consumption, particularly given the very large population base in China. The continued emphasis of the Chinese government on stimulating growth in the inner regions should provide further impetus in domestic consumer spending. China's growing logistics industry and improvements in transportation are positive developments for Yuchai since a large part of its diesel engines are sold to truck and bus manufacturers.

Any appreciation of the Renminbi will cause Chinese exports to be more expensive and therefore may dampen demand for industrial packaging products. A slowdown in auto sales in China will also have a similar effect on China operations of the Group's Industrial Packaging Unit with its high reliance on customers in this industry.

Any global economic slowdown will likely have an effect on the sales of green technology pallets.

The recent announcement by the Malaysian government in the economic transformation plan which focuses on infrastructure and construction projects as well as expected start-up of projects in Singapore which were delayed such as the Marina Coastal Expressway, NUS residential projects and HDB Batch 9 housing projects are positive news for the Group. However, inclement weather in the region, competition and continued excess capacity will limit profits of BMU in the last quarter of this year.

With the difficult business environment, the Group expects the fourth quarter to be challenging. Any unforeseen circumstances including any change in policies of the Chinese government and any adverse change in the business climate may further impact the performance of the Group.

As part of the Group's efforts to grow its businesses and enhance shareholders' value, the Group continues to explore investment and divestment opportunities. As and when these opportunities materialize, appropriate announcements will be made.

Negotiations are continuing regarding the disposal of the Group's interest in the quarry on Karimun Island, which is operated under a Contract of Works ("COW") issued by the Government of Indonesia. The COW will expire in 2013. If the negotiations do not result in a sale, the financial impact to the Group is not expected to be material should the subsidiaries relating to the quarry operations be liquidated.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

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

- 13. 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.

- 14. 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.

- 15. A breakdown of sales.**

Not applicable.

- 16. Interested persons transactions**

No interested persons transactions ('IPT') were concluded under the Company's IPT Mandate for the quarter ended 30 September 2010.

BY ORDER OF THE BOARD

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

12 November 2010

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 third quarter and nine-month ended 30 September 2010 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Beng
Chairman

Teo Tong Kooi
Director & CEO

12 November 2010