

**Third Quarter And Nine-Month Financial Statement For The Period Ended 30 September 2008**

**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 and nine-month ended 30 September 2008. 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 2008 \$'000	3Q 2007 \$'000	Change %	YTD 3Q 2008 \$'000	YTD 3Q 2007 \$'000	Change %
<b>Revenue</b>	<b>837,950</b>	<b>783,111</b>	<b>7%</b>	<b>2,956,640</b>	<b>2,507,673</b>	<b>18%</b>
Cost of sales	(673,806)	(599,629)	12%	(2,317,900)	(1,922,692)	21%
<b>Gross profit</b>	<b>164,144</b>	<b>183,482</b>	<b>-11%</b>	<b>638,740</b>	<b>584,981</b>	<b>9%</b>
Other income	5,378	3,635	48%	8,199	12,580	-35%
Selling and distribution expenses	(77,934)	(63,140)	23%	(237,477)	(187,422)	27%
Administrative and other operating expenses	(50,283)	(55,610)	-10%	(153,720)	(162,635)	-5%
Research and development costs	(11,269)	(5,588)	102%	(31,995)	(23,830)	34%
<b>Profit from operations</b>	<b>30,036</b>	<b>62,779</b>	<b>-52%</b>	<b>223,747</b>	<b>223,674</b>	<b>0%</b>
Finance costs	(12,671)	(11,509)	10%	(42,507)	(26,479)	61%
Other non-operating income / (expenses)	-	3,792	NM	-	8,933	NM
Share of profit of associates	3,399	2,986	14%	6,913	12,713	-46%
<b>Profit before taxation</b>	<b>20,764</b>	<b>58,048</b>	<b>-64%</b>	<b>188,153</b>	<b>218,841</b>	<b>-14%</b>
Taxation	(4,344)	(15,896)	-73%	(25,788)	(45,890)	-44%
<b>Profit after taxation</b>	<b>16,420</b>	<b>42,152</b>	<b>-61%</b>	<b>162,365</b>	<b>172,951</b>	<b>-6%</b>

**Net Profit Attributable to :**

<b>Shareholders of the Company</b>	<b>3,740</b>	<b>25,264</b>	<b>-85%</b>	<b>57,585</b>	<b>80,624</b>	<b>-29%</b>
Minority Interests	12,680	16,888	-25%	104,780	92,327	13%
	<b>16,420</b>	<b>42,152</b>	<b>-61%</b>	<b>162,365</b>	<b>172,951</b>	<b>-6%</b>

3Q : Three months ended 30 September

YTD 3Q : Nine months ended 30 September

NM: Not meaningful

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

Profit from operations include the following:	Group			Group		
	3Q 2008 \$'000	3Q 2007 \$'000	Change %	YTD 3Q 2008 \$'000	YTD 3Q 2007 \$'000	Change %
Gain / (loss) on disposal of investment, property, plant and equipment	252	(1,591)	NM	431	(721)	NM
Gain on disposal of assets held for sale	-	-	NM	-	3,046	NM
Allowance written back / (made) for doubtful trade debts and bad debts written off	(4,511)	(3,304)	37%	(11,362)	(13,956)	-19%
Allowance written back/(made) for stock obsolescence	500	639	-22%	2,178	(7,325)	NM
Depreciation and amortisation	(13,665)	(13,644)	0%	(43,533)	(38,019)	15%
Foreign exchange gain / (loss)	1,524	(1,898)	NM	(2,001)	(325)	516%

NM: Not meaningful

### Other non-operating income includes the following items :

	3Q 2008 \$'000	3Q 2007 \$'000	YTD 3Q 2008 \$'000	YTD 3Q 2007 \$'000
Gain in disposal of quoted equity investments	-	3,792	-	3,792
Gain on disposal/redemption of shares in subsidiaries and related businesses	-	-	-	5,141
<b>Other non-operating income, before minority interests</b>	-	<b>3,792</b>	-	<b>8,933</b>
Amount attributed to minority interests	-	-	-	4,645
<b>Other non-operating income attributable to shareholders of the Company</b>	-	<b>3,792</b>	-	<b>4,288</b>

### 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 2008 included an underprovision of \$4,000 (3Q 2007: underprovision of \$1,619,000) in respect of prior years. The Group's tax charge for YTD 3Q 2008 included a write-back of overprovision of \$6,831,000 (YTD 3Q 2007: underprovision of \$4,276,000) in respect of prior years.

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

\$'000	Group		Company	
	30/09/08	31/12/07	30/09/08	31/12/07
<b>Non-current assets</b>				
Property, plant and equipment	855,813	772,318	708	3,731
Prepaid operating leases	51,716	48,971	-	-
Intangibles	68,407	66,691	1,168	-
Investment in subsidiaries	-	-	219,981	219,980
Investment in associates	207,439	258,674	54,202	55,452
Investment in jointly controlled entity	-	-	15,000	15,000
Investment properties	7,257	8,130	-	-
Other financial assets	3,152	2,845	-	167
Other non-current receivables	6,101	7,852	-	-
Amounts due from subsidiaries	-	-	39,919	59,462
Deferred tax assets	65,034	64,776	-	-
	1,264,919	1,230,257	330,978	353,792
<b>Current assets</b>				
Other financial assets	896	1,418	-	-
Inventories and work-in-progress	704,385	608,184	-	9,816
Development properties	20,250	23,291	-	-
Trade and other receivables	1,534,932	1,146,729	123,778	97,540
Cash and cash equivalents	249,937	247,742	1,443	14,912
	2,510,400	2,027,364	125,221	122,268
<b>Current liabilities</b>				
Bank overdrafts	31,620	30,726	-	-
Trade and other payables	1,674,156	1,286,129	13,813	34,180
Provisions	54,625	59,165	640	640
Interest-bearing borrowings	464,251	428,671	127,038	110,040
Provision for taxation	29,797	48,540	-	-
	2,254,449	1,853,231	141,491	144,860
<b>Net current assets/(liabilities)</b>	255,951	174,133	(16,270)	(22,592)
<b>Non-current liabilities</b>				
Interest-bearing borrowings	56,870	70,578	-	-
Amount due to a subsidiary	-	-	10,400	11,000
Deferred tax liabilities	2,172	2,087	457	457
Deferred grants	275	272	-	-
Retirement benefits	301	290	-	-
	59,618	73,227	10,857	11,457
	1,461,252	1,331,163	303,851	319,743
<b>Capital and reserves</b>				
Share capital	278,664	278,415	278,664	278,415
Reserves	318,612	314,888	25,187	41,328
	597,276	593,303	303,851	319,743
Minority interests	863,976	737,860	-	-
<b>Total Equity</b>	1,461,252	1,331,163	303,851	319,743

## Explanatory Notes to Balance Sheets

### Group

- Compared to 31 December 2007, the increase in the net current assets was mainly due to movements in working capital such as inventories and trade receivables, net of trade payables and bank borrowings arising from increased business volume during the nine months ended 30 September 2008.
- There had been an increase in bank borrowings (current) arising from higher utilization of bank loans to support higher working capital requirements and capital expenditure.
- Decrease in the carrying amount of investments in associates for the Group was principally due to lower market value of quoted equity investments held by the associated companies as at 30 September 2008 as compared to 31 December 2007.

### Company

- Reductions in the Company's assets and liabilities were due to an internal restructuring whereby the precast concrete and cement and granite trading businesses were transferred to a wholly-owned subsidiary of the Company with effect from 26 August 2008.
- Negative working capital was reported due to the classification of bank borrowings from non-current liabilities to current liabilities following the upcoming maturity of these loans within the next one year.

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

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

As at 30/09/2008		As at 31/12/2007	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$5,272,070	\$490,599,243	\$6,087,860	\$453,308,708

#### **Amount repayable after one year**

As at 30/09/2008		As at 31/12/2007	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	\$56,869,626	\$16,992,812	\$53,584,902

#### **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 2008 of \$23,769,000 (31 December 2007: \$30,322,000).

**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 2008 \$'000	3Q 2007 \$'000	YTD 3Q 2008 \$'000	YTD 3Q 2007 \$'000
<b>Operating Activities</b>				
Profit before Income Tax	20,764	58,048	188,153	218,841
Adjustment for :				
Dividend and interest income	(889)	(2,041)	(2,608)	(4,020)
Finance costs	12,671	11,509	42,507	26,479
Depreciation and amortisation	13,665	13,644	43,535	38,019
Share of results of associated companies	(3,399)	(2,986)	(6,913)	(12,713)
(Gain)/loss on disposal of property, plant and equipment	(252)	1,591	(431)	881
Gain on disposal of assets held for sale	-	-	-	(3,046)
Gain on disposal of quoted equity investments	-	(3,792)	-	(3,792)
Gain on disposal of investments	-	-	-	(160)
Cost of share-based payment	150	96	338	286
Allowance for Impairment loss	-	-	-	5,253
Gain on disposal/redemption of share in subsidiaries & related businesses	-	-	-	(5,141)
Operating profit before working capital changes	42,710	76,069	264,581	260,887
Changes in working capital:				
(Increase)/decrease in inventories and work-in-progress	(888)	(55,004)	(66,990)	(74,402)
Decrease/(Increase) in trade and other receivables	105,762	51,241	(306,030)	(390,689)
(Decrease)/increase in trade and other payables	(42,466)	30,535	318,340	342,494
Provisions made/(utilised) for warranties & claims (net)	3,738	6,092	(6,480)	2,081
	108,856	108,933	203,421	140,371
Income tax paid	(22,129)	(12,419)	(41,443)	(24,891)
Cash flows from operating activities	86,727	96,514	161,978	115,480
<b>Investing Activities</b>				
Interest and dividends received	4,468	3,161	7,739	7,143
Proceeds from disposal of subsidiaries, net of cash disposed	-	-	-	2,189
Proceeds from disposal of property, plant and equipment	4,966	4,384	8,280	6,753
Proceeds from disposal of assets held for sales	-	-	-	18,245
Acquisition of subsidiaries and businesses, net of cash acquired	-	(165)	-	(165)
Purchase of additional shareholding in a subsidiary	-	(224)	(1,138)	(224)
Investments in associates and joint ventures	-	-	(125)	-
Purchase of property, plant and equipment	(35,611)	(33,060)	(92,848)	(88,586)
Balances with related parties	(1,118)	(6,669)	(4,723)	(3,911)
Cash flows from investing activities	(27,295)	(32,573)	(82,815)	(58,556)
<b>Financing Activities</b>				
Proceeds from share issue	-	58	249	918
Net (decrease)/increase in bank borrowings	(54,790)	16,696	4,861	(8,391)
Capital contribution by minority shareholders of a subsidiary	3,920	-	9,192	-
Dividends paid to shareholders of the Company	(11,438)	(15,238)	(34,319)	(30,475)
Dividends paid to minority shareholders of subsidiaries	(11,222)	(2,713)	(14,620)	(3,380)
Release of fixed deposits pledged with banks	1,808	610	25,956	2,646
Interest paid	(17,789)	(9,184)	(51,362)	(26,832)
Cash flows from financing activities	(89,511)	(9,771)	(60,043)	(65,514)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(30,079)</b>	<b>54,170</b>	<b>19,120</b>	<b>(8,590)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>235,886</b>	<b>188,488</b>	<b>186,681</b>	<b>246,863</b>
Effects of exchange rate changes on cash and cash equivalents	7,963	(1,316)	7,969	3,069
<b>Cash and cash equivalents at end of the period</b>	<b>213,770</b>	<b>241,342</b>	<b>213,770</b>	<b>241,342</b>
Comprising:				
Fixed deposit, bank and cash balances			249,937	262,827
Less: Bank overdraft			(31,620)	(1,335)
Fixed deposits pledged			(4,547)	(20,150)
			213,770	241,342
<b>The attributable net assets of subsidiaries acquired/disposed during the period are as follows:</b>				
	3Q 2008 \$'000	3Q 2007 \$'000	YTD 3Q 2008 \$'000	YTD 3Q 2007 \$'000
<b>Acquisitions</b>				
Non-current assets	-	192	-	192
Net current assets	-	258	-	258
Amount previously accounted for as associate/investment	-	(136)	-	(136)
Goodwill	-	27	-	27
Consideration paid	-	341	-	341
Less: Cash & cash equivalents of subsidiary acquired	-	(176)	-	(176)
Acquisition of subsidiary, net of cash acquired	-	165	-	165
<b>Disposals</b>				
Net current liabilities	-	-	-	(87)
Realisation of translation difference	-	-	-	(2,812)
Profit on disposal	-	-	-	5,141
Total cash consideration	-	-	-	2,242
Less: Cash and bank balances of subsidiary disposed	-	-	-	(53)
Disposal of subsidiary, net of cash disposed	-	-	-	2,189

**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	Share Premium	Capital Reserves	Statutory Reserves	Own Share Reserves	Fair Value Reserves	Equity Compensation Reserves	Translation Reserves	Revenue Reserves	Total	Minority Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>												
At 1 January 2007	277,124	-	(34,684)	16,944	(1,635)	45,308	629	(30,848)	236,021	508,859	661,282	1,170,141
Share issues during the period	860	-	-	-	-	-	-	-	-	860	-	860
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	10,491	-	10,491	14,317	24,808
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	16,161	8,932	-	-	-	25,093	227	25,319
Cost of share-based payment	-	-	-	-	-	-	190	-	-	190	9	199
Net gain/(loss) recognised directly in equity	-	-	-	-	16,161	8,932	190	10,491	-	35,773	14,553	50,326
Net profit for the period	-	-	-	-	-	-	-	-	55,361	55,361	75,438	130,799
Total recognised income and expenses for the period	-	-	-	-	16,161	8,932	190	10,491	55,361	91,134	89,991	181,125
Transfer from statutory reserves	-	-	-	(516)	-	-	-	-	516	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(15,237)	(15,237)	-	(15,237)
Dividends paid/payable to minority shareholder	-	-	-	-	-	-	-	-	-	-	(5,086)	(5,086)
<b>At 30 June 2007</b>	<b>277,984</b>	<b>-</b>	<b>(34,684)</b>	<b>16,428</b>	<b>14,526</b>	<b>54,240</b>	<b>819</b>	<b>(20,357)</b>	<b>276,661</b>	<b>585,617</b>	<b>746,187</b>	<b>1,331,804</b>
At 1 July 2007	277,984	-	(34,684)	16,428	14,526	54,240	819	(20,357)	276,661	585,617	746,187	1,331,804
Share issues during the period	58	-	-	-	-	-	-	-	-	58	-	58
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	(3,952)	-	(3,952)	(5,180)	(9,132)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	181	(5,389)	-	-	-	(5,208)	(1,494)	(6,702)
Cost of share-based payment	-	-	-	-	-	-	96	-	-	96	6	102
Net gain/(loss) recognised directly in equity	-	-	-	-	181	(5,389)	96	(3,952)	-	(9,064)	(6,668)	(15,732)
Net profit for the period	-	-	-	-	-	-	-	-	25,264	25,264	16,888	42,152
Total recognised income and expenses for the period	-	-	-	-	181	(5,389)	96	(3,952)	25,264	16,201	10,220	26,420
Transfer from statutory reserves	-	-	-	52	-	-	-	-	(52)	-	-	-
Purchase of additional shareholding in a subsidiary	-	-	-	-	-	-	-	-	-	-	(203)	(203)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(15,238)	(15,238)	-	(15,238)
<b>At 30 September 2007</b>	<b>278,042</b>	<b>-</b>	<b>(34,684)</b>	<b>16,480</b>	<b>14,707</b>	<b>48,851</b>	<b>915</b>	<b>(24,309)</b>	<b>286,635</b>	<b>586,637</b>	<b>756,204</b>	<b>1,342,841</b>
At 1 January 2008	278,415	-	(34,684)	19,956	17,433	43,085	958	(29,820)	297,960	593,303	737,860	1,331,163
Share issues during the period	249	-	-	-	-	-	-	-	-	249	-	249
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	(4,292)	-	(4,292)	742	(3,550)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	(16,162)	(5,473)	-	-	-	(21,635)	(9,578)	(31,213)
Cost of share-based payment	-	-	-	-	-	-	188	-	-	188	2	190
Net gain/(loss) recognised directly in equity	-	-	-	-	(16,162)	(5,473)	188	(4,292)	-	(25,739)	(8,834)	(34,573)
Net profit for the period	-	-	-	-	-	-	-	-	53,844	53,844	92,099	145,943
Total recognised income and expenses for the period	-	-	-	-	(16,162)	(5,473)	188	(4,292)	53,844	28,105	83,265	111,370
Transfer to statutory reserves	-	-	-	5,021	-	-	-	-	(5,021)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(22,881)	(22,881)	-	(22,881)
Capital contribution by minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	5,808	5,808
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,398)	(3,398)
<b>At 30 June 2008</b>	<b>278,664</b>	<b>-</b>	<b>(34,684)</b>	<b>24,977</b>	<b>1,271</b>	<b>37,612</b>	<b>1,146</b>	<b>(34,112)</b>	<b>323,902</b>	<b>598,776</b>	<b>823,535</b>	<b>1,422,311</b>
At 1 July 2008	278,664	-	(34,684)	24,977	1,271	37,612	1,146	(34,112)	323,902	598,776	823,535	1,422,311
Share issues during the period	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	16,779	-	16,779	34,739	51,518
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	(9,443)	(1,288)	-	-	-	(10,731)	325	(10,406)
Cost of share-based payment	-	-	-	-	-	-	150	-	-	150	-	150
Net gain/(loss) recognised directly in equity	-	-	-	-	(9,443)	(1,288)	150	16,779	-	6,198	35,064	41,262
Net profit for the period	-	-	-	-	-	-	-	-	3,740	3,740	12,680	16,420
Total recognised income and expenses for the period	-	-	-	-	(9,443)	(1,288)	150	16,779	3,740	9,938	47,744	57,682
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(11,438)	(11,438)	-	(11,438)
Shares issued to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	3,920	3,920
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,222)	(11,222)
<b>At 30 September 2008</b>	<b>278,664</b>	<b>-</b>	<b>(34,684)</b>	<b>24,977</b>	<b>(8,172)</b>	<b>36,324</b>	<b>1,296</b>	<b>(17,333)</b>	<b>316,204</b>	<b>597,276</b>	<b>863,976</b>	<b>1,461,252</b>

**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	Equity Compensation Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
<b>The Company</b>						
At 1 January 2007	277,124	9,199	118	478	28,786	315,705
Share issues during the period	860	-	-	-	-	860
Net fair value changes	-	-	(96)	-	-	(96)
Cost of share-based payment	-	-	-	187	-	187
Net gain/(loss) recognised directly in equity	-	-	(96)	187	-	91
Net profit for the period	-	-	-	-	4,781	4,781
Total recognised income and expense for the period	-	-	(96)	187	4,781	4,872
Dividends	-	-	-	-	(15,237)	(15,237)
<b>At 30 June 2007</b>	<b>277,984</b>	<b>9,199</b>	<b>22</b>	<b>665</b>	<b>18,330</b>	<b>306,200</b>

At 1 July 2007	277,984	9,199	22	665	18,330	306,200
Share issues during the period	58	-	-	-	-	58
Net fair value changes	-	-	(944)	-	-	(944)
Cost of share-based payment	-	-	-	94	-	94
Net gain/(loss) recognised directly in equity	-	-	(944)	94	-	(850)
Net profit for the period	-	-	-	-	21,475	21,475
Total recognised income and expense for the period	-	-	(944)	94	21,475	20,625
Dividends	-	-	-	-	(15,238)	(15,238)
<b>At 30 September 2007</b>	<b>278,042</b>	<b>9,199</b>	<b>(922)</b>	<b>759</b>	<b>24,567</b>	<b>311,645</b>

At 1 January 2008	278,415	9,199	-	838	31,291	319,743
Share issues during the period	249	-	-	-	-	249
Net fair value changes	-	-	3	-	-	3
Cost of share-based payment	-	-	-	187	-	187
Net gain/(loss) recognised directly in equity	-	-	3	187	-	190
Net profit for the period	-	-	-	-	18,514	18,514
Total recognised income and expense for the period	-	-	3	187	18,514	18,704
Dividends	-	-	-	-	(22,881)	(22,881)
<b>At 30 June 2008</b>	<b>278,664</b>	<b>9,199</b>	<b>3</b>	<b>1,025</b>	<b>26,924</b>	<b>315,815</b>

At 1 July 2008	278,664	9,199	3	1,025	26,924	315,815
Share issues during the period	-	-	-	-	-	-
Net fair value changes	-	-	(19)	-	-	(19)
Cost of share-based payment	-	-	-	150	-	150
Net gain/(loss) recognised directly in equity	-	-	(19)	150	-	131
Net (loss) for the period	-	-	-	-	(657)	(657)
Total recognised income and expense for the period	-	-	(19)	150	(657)	(526)
Dividends	-	-	-	-	(11,438)	(11,438)
<b>At 30 September 2008</b>	<b>278,664</b>	<b>9,199</b>	<b>(16)</b>	<b>1,175</b>	<b>14,829</b>	<b>303,851</b>

**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**

The Company did not hold any treasury shares as at 30 September 2008 and 30 September 2007.

There was no change in the Company's issued share capital during the three months ended 30 September 2008.

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

There was no option exercised pursuant to the terms of the Hong Leong Asia Share Option Scheme 2000 (the "Scheme") during the three months ended 30 September 2008.

As at 30 September 2008, there were a total of 2,510,400 (30 September 2007: 1,756,000) unissued shares under options granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2001	\$0.41	-
2002	\$1.00	-
2003	\$1.79	-
2004	\$1.51	160,000
2005	\$1.28	62,200
2007	\$1.88	938,200
2008	\$2.36	1,350,000
Total		2,510,400

**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 2008 and 31 December 2007.

The total number of issued ordinary shares as at 30 September 2008 and 31 December 2007 were 381,392,018 and 381,224,818 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 were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 2008.

**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 2007.

**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.**

There has been no change in the accounting policies and methods of computation adopted by the Group.

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

	Group			
	3Q 2008	3Q 2007	YTD 3Q 2008	YTD 3Q 2007
Earnings per ordinary share based on net profit attributable to shareholders				
<b>Including other non-operating income</b>				
(i) Based on the weighted average number of ordinary shares on issue (cts)	0.98	6.63	15.10	21.17
(ii) On a fully diluted basis (cts)	0.98	6.62	15.09	21.13

	Group			
	3Q 2008	3Q 2007	YTD 3Q 2008	YTD 3Q 2007
Earnings per ordinary share based on net profit attributable to shareholders				
<b>Excluding other non-operating income</b>				
(i) Based on the weighted average number of ordinary shares on issue (cts)	0.98	5.64	15.10	18.82
(ii) On a fully diluted basis (cts)	0.98	5.63	15.09	18.79

**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	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Net Asset Value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares, if any, of the issuer as at 30 September 2008 and as at 31 December 2007 (cts)	156.60	155.63	79.67	83.87

**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) 2008

Hong Leong Asia Group achieved net profit attributable to shareholders of \$3.7 million for 3Q 2008 as compared to \$25.3 million achieved for 3Q 2007. The slowdown in global economy and high raw material costs had an adverse impact on the performance of the Group. This was particularly felt in one of our China business units and the Building Materials Unit ("BMU"). These two business units contributed largely to the lower attributable profit earned by the Group for 3Q 2008. A secondary factor was the absence of gain from sale of quoted securities which contributed \$3.8 million to net attributable profit in 3Q 2007.

The Group's revenue of \$838.0 million for 3Q 2008 grew by 7% compared to \$783.1 million achieved for 3Q 2007. This was driven primarily by higher average selling prices in the Group's China operations. Partially negating this increase was lower selling prices suffered by the BMU on an essentially flat sales volume in ready-mixed concrete for the quarters in comparison.

The Group's gross margin for 3Q 2008 of 19.6% was lower than 23.4% for 3Q 2007. Higher raw material and labour costs combined with lower selling prices of ready-mixed concrete were the main contributory factors for the reduction in the gross margin.

Other income of \$5.4 million for 3Q 2008 was higher than \$3.6 million for 3Q 2007 mainly due to exchange gain.

Selling and distribution expenses for 3Q 2008 were 23% higher than 3Q 2007 due to the increased provision on warranty expenses as well as higher spending on advertising and promotional expenses to protect the Group's market position. Following an assessment of the adequacy of warranty provision, the Group had a one-off top up of warranty costs amounting to approximately \$9 million in one of our China operations in 3Q 2008.

Administrative expenses for 3Q 2008 were 10% lower than 3Q 2007 mainly due to lower employee costs, reduced travel and reduction in professional fees. Partially compensating this decline was a one-time \$2 million charge to income on fees relating to an aborted corporate exercise.

Research and development costs for 3Q 2008 doubled to \$11.3 million versus 3Q 2007 of \$5.6 million, principally due to increased engine development costs incurred to meet the new Euro III compliance standard set by the Chinese Government.

Finance costs increased from \$11.5 million for 3Q 2007 to \$12.7 million for 3Q 2008. This was mainly due to higher utilization of bank loans for constructing new plants in China and working capital requirements.

The other non-operating income of \$3.8 million in 3Q 2007 arose from the gain on disposal of quoted securities.

Share of profit of associates increased marginally from \$3.0 million for 3Q 2007 to \$3.4 million for 3Q 2008.

Taxation expense for 3Q 2008 of \$4.3 million was lower versus 3Q 2007 of \$15.9 million, mainly due to lower profits from operations and lower effective tax rate.

For purpose of comparison, excluding non-operating income, the adjusted net profit attributable to the Group would be \$3.7 million for 3Q 2008 as compared to \$21.5 million for 3Q 2007, representing approximately a 83% decline in net earnings.

### Year-to-date September 2008 (YTD-3Q 2008)

The Group's revenue of \$2,956.6 million for YTD-3Q 2008 was 18% higher than that achieved in the corresponding period in 2007 of \$2,507.7 million. The Group's net profit attributable to shareholders was \$57.6 million for YTD-3Q 2008 compared to \$80.6 million for YTD-3Q 2007. This decline of 29% was mainly due to lower profit contributions from the Group's China operations and BMU.

Other income of \$8.2 million for YTD-3Q 2008 was lower than \$12.6 million for YTD-3Q 2007 mainly due to lower sale of scrap materials from the China operations.

The increase in business volume resulted in higher selling and distribution expenses as compared to YTD-3Q 2007.

Xinfei's overall sales of 2,750,641 units for YTD-3Q 2008 were 6% higher than YTD-3Q 2007. Domestic sales of refrigerators increased significantly by 17% over the same period in 2007.

The Diesel Engines Unit ("Yuchai") achieved unit sales of approximately 320,526 engines for YTD-3Q 2008, representing a 13% increase against the corresponding period of 2007.

The Industrial Packaging Unit ("Rex") was adversely affected by the increase in raw material costs and keen competition in China and Malaysia.

GPac Technology (S) Pte Ltd reported a lower loss for YTD-3Q 2008 versus YTD-3Q-2007, due to lower depreciation charged in the first nine months of 2008 as a result of an impairment recognized in FY 2007.

BMU continued to deliver higher sales volume of ready-mixed concrete in YTD-3Q 2008. As a result of continuing pressure on selling prices, its net attributable profit was lower than the same period of 2007. The Group's quarry in Karimun Island has still not recommenced operations as it has not concluded negotiations with the local authority of Karimun (Bulpati). The Group continued to secure supplies of building material products from neighbouring countries for its operations.

For purpose of comparison, excluding non-operating income, the adjusted net profit attributable to the Group for YTD-3Q 2008 would be \$57.6 million as compared to the adjusted net profit attributable of \$76.3 million for YTD-3Q 2007, representing approximately a 25% decline in net earnings.

#### Working capital and cash flow

The decrease in working capital requirements for 3Q 2008 versus 3Q 2007 was principally attributed to a decrease in trade and other receivables. The Group reported a net operational cash inflow of \$86.7 million for 3Q 2008 as compared to an operational cash inflow of \$96.5 million for the previous corresponding period, mainly due to lower profits.

During 3Q 2008, the Group paid interest expense of \$17.8 million as compared to the corresponding period in 2007 of \$9.2 million. This was mainly due to higher utilization of bank borrowings to finance the Group's China capital expenditure projects and increased working capital requirements.

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

Not applicable.

#### **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 the global financial crisis deepens and the global economic slowdown intensifies, the Group expects business conditions to deteriorate in the near term.

The GDP growth in China declined from 12.2% for the first nine months in 2007 to 9.9% for the corresponding period this year. China's economy slowed to 9% in the third quarter as compared to 11.9% of the same period in 2007.

The outlook for the Singapore construction sector is expected to soften. While BMU has a backlog of orders, margins may come under pressure from lower selling prices. Some developers are postponing the completion dates of projects and that will adversely affect the construction sector. While negotiations are in progress regarding the recommencement of operations of the Group's quarry in Karimun Island, there is nonetheless a degree of uncertainty as to whether the conclusion of the negotiations will affect the carrying value of our assets in that operation.

While the recent softening of raw material prices would have a positive impact on the performance of the Group, the Group will face considerable challenges ahead to manage expected intense price competition from excess capacity in consumer goods, industrial packaging products and supplies to the construction sector. The loss in export markets may cause Chinese manufacturers to shift their attention to the domestic front, which will further exacerbate the supply situation.

On the positive side, the latest Chinese government's initiatives to stimulate the economy through increased spending of some \$877 billion should have a mitigating effect on the adverse economic environment.

Nonetheless, as part of its efforts to grow the Group's businesses and increase shareholder value, the Group will continue to explore investment and divestment opportunities. As and when these opportunities materialise, appropriate announcements will be made.

## **11. Dividend**

### ***(a) Current Financial Period Reported On***

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

### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

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

### ***(c) Date payable***

Not applicable

### ***(d) Books closure date***

Not applicable

## **12. If no dividend has been declared/recommendeded, a statement to that effect.**

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 person transactions (“IPT”) were conducted under the Company’s IPT Mandate for the quarter ended 30 September 2008.

**BY ORDER OF THE BOARD**

Ng Siew Ping, Jaslin  
Company Secretary  
11 November 2008

**Confirmation Pursuant to Rule 705(4) 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 quarterly financial results of the Group for the quarter ended 30 September 2008 to be false or misleading in any material respect.

On behalf of the Board

**Kwek Leng Beng**  
Chairman

**Teo Tong Kooi**  
Director & CEO

11 November 2008