

Unaudited Full Year Financial Statement And Dividend Announcement For The Year Ended 31 December 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 year ended 31 December 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		
	FY 2008 \$'000	FY 2007 \$'000	Change %
Revenue	3,616,784	3,233,178	12%
Cost of sales	(2,861,761)	(2,480,711)	15%
Gross profit	755,023	752,467	0%
Other income/(expenses)	1,684	(3,393)	NM
Selling and distribution expenses	(279,976)	(255,304)	10%
Administrative and other operating expenses	(220,108)	(224,567)	-2%
Research and development costs	(57,198)	(38,521)	48%
Profit from operations	199,425	230,682	-14%
Finance costs	(50,751)	(38,476)	32%
Other non-operating income	42,935	11,981	258%
Share of profit of associates	15,470	25,423	-39%
Profit before taxation	207,079	229,610	-10%
Taxation	(33,618)	(40,359)	-17%
Profit after taxation	173,461	189,251	-8%

Net Profit Attributable to :

Shareholders of the Company	41,977	95,428	-56%
Minority Interests	131,484	93,823	40%
	173,461	189,251	-8%

NM: Not meaningful

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

Profit from operations include the following:	Group		
	FY 2008 \$'000	FY 2007 \$'000	Change %
Loss on disposal of investment, property, plant and equipment	(1,786)	(2,082)	-14%
Impairment loss on property, plant and equipment and intangibles	(8,349)	(10,122)	-18%
Impairment losses written back for trade and other receivables / (bad debts written off)	4,538	(4,997)	NM
Allowance (made)/written back for stock obsolescence	(6,992)	1,074	NM
Depreciation and amortisation	(59,694)	(55,458)	8%
Foreign exchange loss	(2,522)	(3,001)	-16%

NM: Not meaningful

Other non-operating income include items that are exceptional in nature and these are :

	2008 \$'000	2007 \$'000
Write back of loan provision (non-trade) by one of its China subsidiaries	42,935	
Gain on disposal of quoted equity investments	-	6,840
Gain on disposal/redemption of shares in subsidiaries and related businesses	-	5,141
Other non-operating income, before minority interests	42,935	11,981
Amount attributed to minority interests	35,971	4,645
Other non-operating income attributable to shareholders of the Company	6,964	7,336

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

The Group's tax charge in 2008 included an underprovision of \$4,468,000 (2007: underprovision of \$2,748,000) 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	
	31/12/08	31/12/07	31/12/08	31/12/07
Non-current assets				
Property, plant and equipment	868,708	772,318	723	3,731
Prepaid operating leases	52,838	48,971	-	-
Intangibles	66,786	66,691	1,099	-
Investment in subsidiaries	-	-	239,628	219,980
Investment in associates	253,350	258,674	52,295	55,452
Investment in jointly controlled entity	-	-	15,000	15,000
Investment properties	7,222	8,130	-	-
Other financial assets	2,145	2,845	-	167
Other non-current receivables	5,827	7,852	-	-
Amounts due from subsidiaries	-	-	55,674	59,462
Deferred tax assets	38,299	64,776	-	-
	1,295,175	1,230,257	364,419	353,792
Current assets				
Other financial assets	633	1,418	-	-
Inventories and work-in-progress	724,781	608,184	-	9,816
Development properties	20,366	23,291	-	-
Trade and other receivables	1,190,773	1,146,729	136,883	97,540
Cash and cash equivalents	271,178	247,742	10,495	14,912
Assets held for sale	-	-	-	-
	2,207,731	2,027,364	147,378	122,268
Current liabilities				
Bank overdrafts	32,868	30,726	-	-
Trade and other payables	1,350,670	1,286,129	17,350	34,180
Provisions	59,697	59,165	-	640
Interest-bearing borrowings	498,164	428,671	167,338	110,040
Provision for taxation	25,767	48,540	-	-
	1,967,166	1,853,231	184,688	144,860
Net current assets/(liabilities)	240,565	174,133	(37,310)	(22,592)
Non-current liabilities				
Interest-bearing borrowings	56,838	70,578	-	-
Amount due to a subsidiary	-	-	10,400	11,000
Deferred tax liabilities	2,111	2,087	457	457
Deferred grants	276	272	-	-
Retirement benefits	308	290	-	-
	59,533	73,227	10,857	11,457
	1,476,207	1,331,163	316,252	319,743
Capital and reserves				
Share capital	278,664	278,415	278,664	278,415
Reserves	302,221	314,888	37,588	41,328
	580,885	593,303	316,252	319,743
Minority interests	895,322	737,860	-	-
Total Equity	1,476,207	1,331,163	316,252	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 and other receivables, net of trade and other payables arising from increased business volume during the year.
- The higher bank borrowings (including bank overdrafts) in 2008 compared to 2007 were due to additional loans utilised by the Group's China subsidiaries for capacity expansion.
- 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 31 December 2008 as compared to 31 December 2007. This was partially offset by the Group's acquisition of additional shares in Tasek Corporation Berhad.

Company

- Arising from an internal restructuring, 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. However, some sales contracts were not novated to the subsidiary and sales continued to be made under those contracts. Accordingly, trade receivables increased in 2008.
- Negative working capital as at 31 December 2008 was due to the refinancing of long term borrowings with short term borrowings due to unfavourable interest rates in the former. As at 31 December 2007, negative working capital was a result of reclassification of a medium term note which became repayable within the 12-month period.
- There was higher drawdown of bank loans to finance the acquisition of additional equity in Tasek by a subsidiary.

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

Amount repayable in one year or less, or on demand

As at 31/12/2008		As at 31/12/2007	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$5,398,064	\$525,634,162	\$6,087,860	\$453,308,708

Amount repayable after one year

As at 31/12/2008		As at 31/12/2007	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	\$56,838,233	\$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 31 December 2008 of \$23,889,000 (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.

	2008 \$'000	2007 \$'000
Operating Activities		
Profit before Income Tax	207,079	229,610
Adjustment for :		
Dividend and interest income	(3,606)	(4,519)
Finance costs	50,751	38,476
Depreciation and amortisation	59,694	54,186
Share of profit of associated companies	(15,470)	(25,423)
Loss on disposal of property, plant and equipment	1,786	2,082
Gain on disposal of quoted equity investments	-	(6,840)
Accretion of deferred grant	(11)	(6)
Cost of share-based payment	847	360
Allowance for Impairment loss	8,349	10,122
Negative goodwill arising from the acquisition of shares in an associate	-	-
Gain on disposal/redemption of share in subsidiaries & related business	-	(5,141)
Provision for warranties and other costs, net	64,132	62,419
Operating profit before working capital changes	373,551	355,326
Changes in working capital:		
(Increase)/decrease in inventories and work-in-progress	(77,033)	(109,369)
Decrease/(Increase) in trade and other receivables	55,222	(514,835)
(Decrease)/increase in trade and other payables	674	397,142
Provisions utilised	(66,666)	(50,192)
	285,748	78,072
Income tax paid	(42,271)	(28,499)
Cash flows from operating activities	243,477	49,573
Investing Activities		
Interest and dividends received	9,187	12,039
Proceeds from disposal of subsidiaries, net of cash disposed	-	2,189
Proceeds from disposal of investments	-	11,828
Proceeds from disposal of property, plant and equipment	9,190	9,019
Proceeds from disposal of assets held for sales	-	18,089
Acquisition of subsidiaries and businesses, net of cash acquired	-	(165)
Purchase of additional shareholding in a subsidiary	(1,138)	(201)
Investments in associates and joint ventures	(40,093)	-
Purchase of property, plant and equipment	(134,060)	(115,053)
Payment of prepaid operating leases	(2,881)	2,587
Purchase of intangible assets	(1,709)	(1,116)
Purchase of other investments	-	(272)
Repayment (to)/by related corporations	(9,569)	865
Cash flows from investing activities	(171,073)	(60,191)
Financing Activities		
Proceeds from share issue	249	1,291
Capital contribution by minority shareholders of a subsidiary	10,103	-
Proceeds from bank borrowings	970,078	325,122
Repayment of bank borrowings	(934,837)	(295,548)
Dividends paid to shareholders of the Company	(34,323)	(30,476)
Dividends paid to minority shareholders of subsidiaries	(16,780)	(11,698)
Release of fixed deposits pledged with banks	30,920	(7,895)
Interest paid	(56,494)	(31,877)
Cash flows from financing activities	(31,084)	(51,081)
Net increase / (decrease) in cash and cash equivalents	41,320	(61,699)
Cash and cash equivalents at beginning of the period	186,681	246,863
Effects of exchange rate changes on cash and cash equivalents	10,016	1,517
Cash and cash equivalents at end of the period	238,017	186,681
Comprising:		
Fixed deposit, bank and cash balances	271,178	247,742
Less: Bank overdraft	(32,868)	(30,726)
Fixed deposits pledged	(293)	(30,335)
	238,017	186,681

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

	2008 \$'000	2007 \$'000
Acquisitions		
Non-current assets	-	192
Net current assets	-	258
Amount previously accounted for as associate/investment	-	(136)
Goodwill	-	27
Consideration paid	-	341
Less: Cash & cash equivalents of subsidiary acquired	-	(176)
Acquisition of subsidiary, net of cash acquired	-	165
Disposals		
Non-current assets	-	-
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	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
The Group											
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	1,291	-	-	-	-	-	-	-	1,291	-	1,291
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	1,027	-	1,027	(7,570)	(6,543)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	19,068	5,306	-	-	-	24,374	2,199	26,573
Cost of share-based payment	-	-	-	-	-	329	-	-	329	25	354
Net gain/(loss) recognised directly in equity	-	-	-	19,068	5,306	329	1,027	-	25,730	(5,346)	20,384
Realisation of revaluation reserve on disposal of available-for-sale investments	-	-	-	-	(7,529)	-	-	-	(7,529)	-	(7,529)
Net profit for the period	-	-	-	-	-	-	-	95,428	95,428	93,823	189,251
Total recognised income and expenses for the period	-	-	-	19,068	(2,223)	329	1,027	95,428	113,629	88,477	202,106
Transfer from statutory reserves	-	-	3,012	-	-	-	-	(3,012)	-	-	-
Purchase of additional shareholding in a subsidiary	-	-	-	-	-	-	-	-	-	(201)	(201)
Dividends paid to shareholders	-	-	-	-	-	-	-	(30,476)	(30,476)	-	(30,476)
Dividends paid/payable to minority shareholder	-	-	-	-	-	-	-	-	-	(11,698)	(11,698)
At 31 December 2007	278,415	(34,684)	19,956	17,433	43,085	958	(29,821)	297,961	593,303	737,860	1,331,163
At 1 January 2008	278,415	(34,684)	19,956	17,433	43,085	958	(29,821)	297,961	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	-	-	-	-	-	-	16,686	-	16,686	46,426	63,112
Net fair value changes/adjustment, net of deferred taxes	-	-	-	(28,873)	(8,981)	-	-	-	(37,854)	(13,012)	(50,866)
Cost of share-based payment	-	-	-	-	-	847	-	-	847	2	849
Net gain/(loss) recognised directly in equity	-	-	-	(28,873)	(8,981)	847	16,686	-	(20,321)	33,416	13,095
Net profit for the period	-	-	-	-	-	-	-	41,977	41,977	131,484	173,461
Total recognised income and expenses for the period	-	-	-	(28,873)	(8,981)	847	16,686	41,977	21,656	164,900	186,556
Transfer to statutory reserves	-	-	2,311	-	-	-	-	(2,311)	-	-	-
Purchase of additional shareholding in a subsidiary	-	-	-	-	-	-	-	-	-	(761)	(761)
Dividends paid to shareholders	-	-	-	-	-	-	-	(34,323)	(34,323)	-	(34,323)
Shares issued to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	10,103	10,103
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(16,780)	(16,780)
At 31 December 2008	278,664	(34,684)	22,267	(11,440)	34,104	1,805	(13,135)	303,304	580,885	895,322	1,476,207

1(d)(i) Statement of changes in equity for the year ended 31 December (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
The Company						
At 1 January 2007	277,124	9,199	118	478	28,786	315,705
Share issues during the period	1,291	-	-	-	-	1,291
Net fair value changes	-	-	4	-	-	4
Cost of share-based payment	-	-	-	360	-	360
Net gain/(loss) recognised directly in equity	-	-	4	360	-	364
Net profit for the period	-	-	-	-	32,981	32,981
Total recognised income and expense for the period	-	-	4	360	32,981	33,345
Reclassification of revaluation reserve on disposal of available-for-sale investments	-	-	(122)	-	-	(122)
Dividends	-	-	-	-	(30,476)	(30,476)
At 31 December 2007	278,415	9,199	-	838	31,291	319,743

At 1 January 2008	278,415	9,199	-	838	31,291	319,743
Share issues during the period	249	-	-	-	-	249
Net fair value changes	-	-	12	-	-	12
Cost of share-based payment	-	-	-	451	-	451
Net gain/(loss) recognised directly in equity	-	-	12	451	-	463
Net profit for the period	-	-	-	-	30,132	30,132
Total recognised income and expense for the period	-	-	12	451	30,132	30,595
Reclassification of revaluation reserve on disposal of available-for-sale investments	-	-	(12)	-	-	(12)
Dividends	-	-	-	-	(34,323)	(34,323)
At 31 December 2008	278,664	9,199	-	1,289	27,100	316,252

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 \$'000
Ordinary Shares		
Balance as at 1 January 2008	381,224,818	278,415
Shares issued for cash upon the exercise of options under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme")	167,200	249
Balance as at 31 December 2008	381,392,018	278,664

The Company did not hold any treasury shares as at 31 December 2008 and 31 December 2007.

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

During the year, the following options were exercised pursuant to the terms of the Hong Leong Asia Share Option Scheme 2000:

Year of Grant	Exercise Price Per Share	FY 2008	Cumulative To Date
2001	\$0.41	40,000	6,107,000
2002	\$1.00	-	1,153,800
2003	\$1.79	-	-
2004	\$1.51	17,000	649,000
2005	\$1.28	-	212,700
2007	\$1.88	110,200	110,200
2008	\$2.36	-	-
Total		167,200	8,232,700

As at 31 December 2008, there were a total of 2,483,200 (31 December 2007 : 1,499,200) unissued shares under options granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2004	\$1.51	160,000
2005	\$1.28	35,000
2007	\$1.88	938,200
2008	\$2.36	1,350,000
Total		2,483,200

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.

Please refer to item 1(d)(ii)(A) above.

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 year ended 31 December 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	
	2008	2007
Earnings per ordinary share based on net profit attributable to shareholders		
Including other non-operating income		
(i) Based on the weighted average number of ordinary shares on issue (cts)	11.01	25.05
(ii) On a fully diluted basis (cts)	11.01	25.00

	Group	
	2008	2007
Earnings per ordinary share based on net profit attributable to shareholders		
Excluding other non-operating income/(expenses)		
(i) Based on the weighted average number of ordinary shares on issue (cts)	9.18	21.91
(ii) On a fully diluted basis (cts)	9.18	21.87

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	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net Ass et 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 at the end of the financial year (cts)	152.31	133.80	82.92	83.01

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The effects of the financial crisis are being felt deeply in the Asian region, particularly in the last quarter of 2008. The Chinese economy, in particular, slowed sharply in the 2nd half of 2008 because of weaker demand for Chinese goods abroad and a slower investment growth in the domestic property sector. GDP growth of China has declined to just 6.8% in the last quarter of 2008 compared to 9% in the 3rd quarter of 2008 and 13% in 2007. This dragged down the annual growth rate for 2008 to a seven-year low of 9%. The business climate in Malaysia, Indonesia and Singapore remains difficult. Amid this extraordinarily challenging business environment, the performance of the Group, particularly in the last quarter of the financial year, had been affected.

Consumer demand weakened sharply in the 4th quarter of 2008. Sales of industrial and consumer products fell. Selling prices came under pressure from surplus capacity. Arising from the slow take off of the Group's green technology pallets, further impairments were made to its plant and machinery. The performance of the Group was also affected by expenses

incurred for certain corporate exercises including the making of a takeover offer for shares in Tasek Corporation Berhad ("Tasek").

Net profit attributable to shareholders declined from \$95.4 million a year ago to \$42.0 million in 2008. 2008 attributable profit included non-operating income of \$7.0 million relating principally to the write back of loan provision.

The Group's net revenue for the year rose by 11.9% year-on-year to reach \$3,616.8 million, boosted largely by higher selling prices in its China operations.

Raw material prices were substantially higher, and this had an impact on gross margin which fell from 23.27% in 2007 to 20.88% in 2008.

Operating expenses were higher in 2008 compared to 2007, with higher selling and distribution expenses and research and development expenses being partially compensated by lower administrative and other operating expenses.

Selling and distribution expenses increased by 10% year-on-year due to increased provision in warranty expenses, in line with increased sales, as well as higher spending on advertising and promotional expenses, necessary in the light of weak consumer confidence and the need to protect the Group's market position. As reported in the results announcement for the 3rd quarter of 2008, selling and distribution expenses for the year were also affected by a one-off top up of warranty costs amounting to approximately \$6 million in one of the Group's China operations.

Administrative and other operating expenses declined by 2% largely due to lower performance bonus which was partly negated by higher professional fees and costs incurred for some corporate exercises including the making of a takeover offer for shares in Tasek.

As the Group strives to increase the market penetration and extend its market reach, spending on research and development increased substantially. Such expenses were incurred in the development of both industrial and consumer products.

Finance costs increased to \$50.8 million in 2008 from \$38.5 million in 2007 due to higher utilization of bank loans for capacity expansion and higher working capital needs, partially negated by lower interest rates in China.

Other non-operating income in 2008 was \$42.9 million relating to the write-back of a loan provision by one of its China companies. Other non-operating income in 2007 was \$12.0 million, comprising (i) gain on disposal of quoted equity investment and (ii) gain on disposal of a subsidiary.

Share of profit from associates of \$15.5 million included a recognition of negative goodwill of \$8.3 million arising from the acquisition of additional shares in Tasek which eventually led to a successful takeover. Share of profit from associates was lower in 2008 compared to \$25.4 million in 2007 due mainly to lower contribution from two of its major associated companies. Included in the \$25.4 million was a one-time tax credit of \$7.8 million for reinvestment allowance.

In line with lower pre-tax profit, tax expense declined in 2008 as compared to 2007.

For purpose of comparison, excluding non-operating income, the adjusted net profit attributable to shareholders for 2008 would have been \$35.0 million as compared to the adjusted net profit attributable of \$88.1 million in 2007. This represents approximately 60% decline in net earnings compared to last year.

Working capital and cash flow

As at 31 December 2008, the Group had cash and cash equivalents balance of \$238.0 million compared to \$186.7 million as at 31 December 2007. Cash generated from operations increased from \$49.6 million in 2007 to \$243.5 million in 2008. This was due mainly to a higher net reduction in working capital (inventories, trade receivables and payables) in 2008 as compared to 2007 as the Group increased its focus on working capital management in the light of increasingly challenging business environment.

Cash outflows from investing activities for the year were \$171.1 million compared to \$60.2 million in 2007. Additional investments in Tasek towards the end of 2008 and higher capital expenditures incurred for capacity expansion of the China operations were the primary drivers for the increased cash outflows.

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.

Several Asian economies are still reeling from the effect of the financial crisis. Growth has slowed in several countries with forecasts that 2009 will see a worsening situation. These adverse business conditions will undoubtedly have an impact on the performance of the Group in 2009.

The Group continues to be in dialogue with Karimun government (Bulpati) concerning the recommencement of operations of the Group's quarry in Karimun Island. There is uncertainty as to whether the conclusion of the negotiations will affect the carrying value of its assets in that operation.

Although the Singapore economy is now in a recession, we are cautiously optimistic that the ongoing activities and plans already put in place by the Singapore government on the building of infrastructure and public housing projects should continue to yield positive results for our building materials unit. The successful takeover offer for shares in Tasek, which itself is a major player in the construction industry in Malaysia and a major producer of cement, has further strengthened our position as a major player of integrated building materials and is expected to contribute positively to the cash flow of the Group.

With the Chinese economy expected to continue to slow down, we are hopeful that the Chinese government's stimulus measures will boost domestic demand for consumer and industrial goods. The government-initiated program to encourage purchases of electrical appliances by rural folks should help to cushion the fall in consumer demand. Measures to encourage replacements of old vehicles may provide the impetus necessary to encourage purchases of engines. Nonetheless, consumer confidence is expected to be weak and this combined with the overhang of weak economic indicators will continue to put pressure on margins.

Barring unforeseen circumstances and a sharp deterioration in the business climate which may affect the carrying value of assets, the Group expects to operate profitably in 2009.

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 materialize, appropriate announcements will be made.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim (Paid)	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	3 cents per ordinary share	2 cents per ordinary share
Tax Rate	Tax Exempt (1-tier)	Tax Exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim (Paid)	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	4 cents per ordinary share	6 cents per ordinary share
Tax Rate	Tax Exempt (1-tier)	Tax Exempt (1-tier)

(c) Date payable

The proposed final dividend in respect of the Company's financial year ended 31 December 2008 which is subject to approval at the forthcoming Forty-Eighth Annual General Meeting of the Company to be held on 30 April 2009, will be payable on 22 May 2009.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the shareholders' approval of the payment of a tax exempt (1-tier) final dividend of 2 cents per ordinary share in respect of the year ended 31 December 2008 (the "Dividend") at the Annual General Meeting to be held on 30 April 2009, the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2009 (the "Books Closure Date") for the purpose of determining Shareholders' entitlement to the Dividend. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited of 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 11 May 2009 will be registered to determine Shareholders' entitlement to the Dividend.

Shareholders (being depositor(s)) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares as at the Books Closure Date will be entitled to the payment of the Dividend.

(e) A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	19,070	38,120
Preference	0	0
Total:	19,070	38,120

The figure under the latest full year comprises :

- (i) the net interim dividend for the financial year 2008 that was paid on 25 September 2008; and
- (ii) the proposed final dividend for financial year 2008 which is subject to shareholders' approval at the forthcoming Annual General Meeting, and calculated based on 381,392,018 issued shares in the capital of the Company as at 26 February 2009.

The figure under the previous full year comprises net interim and final dividends paid in respect of the financial year ended 31 December 2007.

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

Not Applicable

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.

13(a)(i) Business Segments

\$'000	Consumer Products	Industrial products	Building Materials	Corporate	Others ⁽¹⁾	Consolidated
Revenue and expenses						
2008						
Total revenue from external customers	952,957	2,238,842	392,961	-	32,024	3,616,784
Segment results ⁽²⁾	41,212	155,240	11,716	31,093	3,099	242,360
Finance costs						(50,751)
Share of profit of associates	-	276	21,411	-	(6,217)	15,470
Taxation						(33,618)
Minority interests						(131,484)
Net profit for the year						41,977
Revenue and expenses						
2007						
Total revenue from external customers	884,913	1,972,128	341,722	-	34,415	3,233,178
Segment results ⁽²⁾	78,816	118,338	39,410	(5,698)	11,797	242,663
Finance costs						(38,476)
Share of profit of associates	-	582	23,263	-	1,578	25,423
Taxation						(40,359)
Minority interests						(93,823)
Net profit for the year						95,428

⁽¹⁾ Related to electronics, hospitality and property development properties.

⁽²⁾ Segment results under "Corporate" for 2008 included write-back of loan provision (non-trade) by one of the China subsidiaries, while 2007 included (i) gain on disposal of quoted equity investment and (ii) gain on disposal of a subsidiary.

13(a)(ii) Geographical Segments

\$'000	China (including Hong Kong)	Singapore	Malaysia	Others	Consolidated
2008					
Total revenue from external customers	3,148,615	396,067	26,231	45,871	3,616,784
2007					
Total revenue from external customers	2,805,556	347,152	26,262	54,208	3,233,178

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.

Please refer to Note 8.

15. A breakdown of sales.

	Group		
	2008 \$'000	2007 \$'000	Increase/ (Decrease) %
Sales reported for first half year	2,188,690	1,724,562	27%
Operating profit/(loss) after tax before deducting minority interests reported for first half year	145,942	130,798	12%
Sales reported for second half year	1,428,094	1,508,616	-5%
Operating profit/(loss) after tax before deducting minority interests reported for second half year	27,519	58,453	-53%

16. Interested persons transactions

Name of Interested Person	Aggregate value of all interested person transactions conducted in financial year 2008 conducted under IPT mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. and its associates - General Transaction (renewal of lease of office premises by the Company for a lease tenure of three years)	\$327,636

BY ORDER OF THE BOARD

Ng Siew Ping, Jaslin
Company Secretary
26 February 2009