

Unaudited Third Quarter And Nine-Month Financial Statement For The Period Ended 30 September 2011

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") 2011. These figures have not been audited. Certain comparative figures for 3Q 2010, YTD 3Q 2010 and YTD 3Q 2011 have been restated to be consistent with the classification for 3Q 2011.

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

1(a)(i) Income statement

| | Group | | | | | |
|--|----------------|--------------------|---------------|------------------------|------------------------|---------------|
| | 3Q 2011 | 3Q 2010 (restated) | Change | YTD 3Q 2011 (restated) | YTD 3Q 2010 (restated) | Change |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Continuing operations | | | | | | |
| Revenue | 1,013,694 | 1,162,994 | -12.8% | 3,496,328 | 3,994,057 | -12.5% |
| Cost of sales | (793,824) | (888,996) | -10.7% | (2,722,244) | (3,060,035) | -11.0% |
| Gross profit | 219,870 | 273,998 | -19.8% | 774,084 | 934,022 | -17.1% |
| Other income | 27,880 | 12,401 | 124.8% | 44,335 | 30,792 | 44.0% |
| Selling and distribution expenses | (122,052) | (120,543) | 1.3% | (401,108) | (423,590) | -5.3% |
| Research and development costs | (20,175) | (22,605) | -10.7% | (59,038) | (61,220) | -3.6% |
| General and administrative expenses | (44,098) | (46,800) | -5.8% | (138,931) | (145,479) | -4.5% |
| Finance costs | (10,497) | (11,346) | -7.5% | (35,845) | (36,781) | -2.5% |
| Profit from continuing operations | 50,928 | 85,105 | -40.2% | 183,497 | 297,744 | -38.4% |
| Share of profit of associates, net of tax | 2,779 | 741 | 275.0% | 22,094 | 2,079 | 962.7% |
| Profit before income tax from continuing operations | 53,707 | 85,846 | -37.4% | 205,591 | 299,823 | -31.4% |
| Income tax expense | (9,525) | (15,383) | -38.1% | (32,747) | (49,310) | -33.6% |
| Profit from continuing operations, net of tax | 44,182 | 70,463 | -37.3% | 172,844 | 250,513 | -31.0% |
| Discontinued operations | | | | | | |
| Profit/(loss) from discontinued operations, net of tax | 70 | 410 | -82.9% | (93) | 1,432 | NM |
| Profit for the period | 44,252 | 70,873 | -37.6% | 172,751 | 251,945 | -31.4% |

Attributable to:

| | | | | | | |
|--|---------------|---------------|---------------|---------------|----------------|---------------|
| Owners of the parent | | | | | | |
| Profit from continuing operations, net of tax | 27,792 | 20,346 | 36.6% | 75,342 | 87,936 | -14.3% |
| Profit/(loss) from discontinued operations, net of tax | 12 | 287 | -95.8% | (15) | 776 | NM |
| | 27,804 | 20,633 | 34.8% | 75,327 | 88,712 | -15.1% |
| Non-controlling interests | | | | | | |
| Profit from continuing operations, net of tax | 16,390 | 50,117 | -67.3% | 97,502 | 162,577 | -40.0% |
| Profit/(loss) from discontinued operations, net of tax | 58 | 123 | -52.8% | (78) | 656 | NM |
| | 16,448 | 50,240 | -67.3% | 97,424 | 163,233 | -40.3% |

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

| | Group | | | | | |
|---|-------------------|-------------------|-------------|-----------------------|-----------------------|-------------|
| | 3Q 2011 \$'000 | 3Q 2010 \$'000 | Change % | YTD 3Q 2011 \$'000 | YTD 3Q 2010 \$'000 | Change % |
| Profit from operations include the following: | | | | | | |
| Gain/(loss) on disposal of property, plant and equipment and land use rights ⁽¹⁾ | 348 | 348 | 0.0% | (882) | 2,379 | NM |
| Impairment (made)/written back on property, plant and equipment, development properties and assets held-for-sale ⁽²⁾ | (163) | (5,861) | -97.2% | 2,406 | (5,057) | NM |
| Allowance written back/(made) for trade and other receivables/(bad debts written off) ⁽³⁾ | 405 | 5,350 | -92.4% | (1,226) | (1,696) | -27.7% |
| Allowance (made)/written back for stock obsolescence ⁽⁴⁾ | (203) | 107 | NM | 3,016 | 3,892 | -22.5% |
| Depreciation and amortisation ⁽⁵⁾ | (29,080) | (25,269) | 15.1% | (90,546) | (79,519) | 13.9% |
| Foreign exchange (loss)/gain | (3,760) | 2,517 | NM | (2,103) | 1,617 | NM |

NM: Not meaningful

- (1) The gain from disposal of property, plant and equipment in YTD 3Q 2010 arose largely from the sale of a factory located in Singapore while the loss in YTD 3Q 2011 came primarily from the loss incurred in the sale of an office building by one of the Group's China subsidiaries.
- (2) In 3Q 2010, the Group made an impairment charge on the assets of its Karimun quarry. One of the Group's China subsidiaries also made some impairment charges on its assets in the two comparative quarters. Both these factors accounted for the impairment loss in 3Q 2010. The Group wrote back impairment losses in YTD 3Q 2011 on the property, plant and equipment of a China subsidiary and a joint-venture company where the Group had disposed of part of its equity interest. The impairment charges in YTD 3Q 2010 comprised the charges made in 3Q 2010 net of impairment losses written back relating to the Group's investments in Thakral Corporation Ltd and the hospitality business.
- (3) Allowances for doubtful debts were made/written back by the Group's China subsidiaries to reflect the ageing of those debts.
- (4) The Group made further allowance for stock obsolescence in 3Q 2011 for its white goods business in contrast to write-back in 3Q 2010.
- (5) Included in YTD 3Q 2011 was a further depreciation charge made on the fair value adjustments in respect of the purchase of property, plant and equipment relating to the hospitality industry by a subsidiary 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 2011 included a write-back of over provision of \$438,000 (3Q 2010: over provision of \$466,000) in respect of prior years. The Group's tax charge for YTD 3Q 2011 included a write-back of over provision of \$4,766,000 (YTD 3Q 2010: over provision of \$3,602,000) in respect of prior years.

1(a)(iv) Statement of Comprehensive Income

| | Group | | | | | |
|---|-------------------|---------------------------------|----------------|-------------------------------------|-------------------------------------|---------------|
| | 3Q 2011 \$'000 | 3Q 2010 (restated) \$'000 | Change % | YTD 3Q 2011 (restated) \$'000 | YTD 3Q 2010 (restated) \$'000 | Change % |
| Profit for the period | 44,252 | 70,873 | -37.6% | 172,751 | 251,945 | -31.4% |
| Other comprehensive income: | | | | | | |
| Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations | 102,925 | (71,163) | NM | 49,175 | (78,065) | NM |
| Net fair value changes | (4,856) | 3,441 | NM | (2,957) | 4,058 | NM |
| Total other comprehensive income for the year, net of tax | 98,069 | (67,722) | NM | 46,218 | (74,007) | NM |
| Total comprehensive income for the period | 142,321 | 3,151 | 4416.7% | 218,969 | 177,938 | 23.1% |
| Attributable to: | | | | | | |
| Owners of the parent | 60,710 | (1,777) | NM | 86,446 | 65,308 | 32.4% |
| Non-controlling interests | 81,611 | 4,928 | 1556.1% | 132,523 | 112,630 | 17.7% |
| Total comprehensive income for the period | 142,321 | 3,151 | 4416.7% | 218,969 | 177,938 | 23.1% |
| Attributable to: | | | | | | |
| Owners of the parent | | | | | | |
| Total comprehensive income from continuing operations, net of tax | 60,698 | (2,064) | NM | 86,461 | 64,532 | 34.0% |
| Total comprehensive income from discontinued operations, net of tax | 12 | 287 | -95.8% | (15) | 776 | NM |
| Total comprehensive income for the period attributable to owners of the parent | 60,710 | (1,777) | NM | 86,446 | 65,308 | 32.4% |

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 | |
|---|------------------|------------------|----------------|----------------|
| | 30/09/2011 | 31/12/10 | 30/9/2011 | 31/12/10 |
| Non-current assets | | | | |
| Property, plant and equipment | 1,200,833 | 1,141,147 | 559 | 351 |
| Land use rights | 136,971 | 123,438 | - | - |
| Intangible assets | 71,562 | 69,580 | 682 | 583 |
| Investment in subsidiaries | - | - | 210,824 | 213,824 |
| Interests in associates | 58,780 | 22,534 | 13,726 | 13,816 |
| Investment properties | - | 7,055 | - | - |
| Other investments | 1,829 | 2,101 | - | - |
| Deferred tax assets | 81,068 | 87,502 | - | 3 |
| Non-current receivables | 2,569 | 12,666 | - | - |
| | 1,553,612 | 1,466,023 | 225,791 | 228,577 |
| Current assets | | | | |
| Other investments | 9,306 | 12,596 | 31 | 37 |
| Inventories | 698,688 | 746,397 | - | - |
| Development properties | 11,622 | 15,764 | - | - |
| Trade and other receivables | 2,044,960 | 1,285,517 | 232,916 | 183,608 |
| Cash and short-term deposits | 890,803 | 1,168,143 | 45 | 1,125 |
| Assets classified as held-for-sale | 22,170 | 58,252 | 7,500 | 36,499 |
| | 3,677,549 | 3,286,669 | 240,492 | 221,269 |
| Current liabilities | | | | |
| Trade and other payables | 2,063,062 | 2,097,200 | 17,525 | 27,442 |
| Provisions | 81,458 | 89,938 | - | - |
| Loans and borrowings | 732,922 | 235,333 | 139,044 | 116,597 |
| Current tax payable | 21,795 | 49,648 | - | - |
| Liabilities classified as held-for-sale | 7,635 | 19,066 | - | - |
| | 2,906,872 | 2,491,185 | 156,569 | 144,039 |
| Net current assets | 770,677 | 795,484 | 83,923 | 77,230 |
| Non-current liabilities | | | | |
| Loans and borrowings | 234,158 | 220,680 | - | - |
| Deferred tax liabilities | 38,562 | 37,999 | 42 | 45 |
| Deferred grants | 58,138 | 46,192 | - | - |
| Retirement benefits | 233 | 241 | - | - |
| | 331,091 | 305,112 | 42 | 45 |
| Net assets | 1,993,198 | 1,956,395 | 309,672 | 305,762 |
| Capital and reserves | | | | |
| Share capital | 266,782 | 266,143 | 266,782 | 266,143 |
| Reserves | 556,966 | 502,253 | 42,890 | 39,619 |
| | 823,748 | 768,396 | 309,672 | 305,762 |
| Non-controlling interests | 1,169,450 | 1,187,999 | - | - |
| Total Equity | 1,993,198 | 1,956,395 | 309,672 | 305,762 |

Explanatory Notes to Statement of Financial Position

Group

- Compared to 31 December 2010, the total assets increased largely as a result of lower trade debts of Yuchai as customers had to pay by year-end (31 December 2010) before they could be granted payment and other sales discounts. This same factor accounted for higher cash holdings as at 31 December 2010. Total liabilities increased primarily due to borrowings to fund further purchases of shares in China Yuchai International Limited ("CYI") by the Group and further issuance of corporate bonds by CYI.
- Net current assets decreased for the two comparative periods as higher working capital requirements (inventories, trade and other receivables, net of trade and other payables) were partly funded by an increase in bank borrowings.
- Non-current liabilities rose marginally from higher grants given by the Chinese Government to one of the Group's China subsidiaries for research and development activities and increase in bank borrowings.

Company

- Trade and other receivables rose primarily due to advances granted to a subsidiary company for its purchase of shares in CYI. This also accounted for the increase in bank borrowings,
- The reduction in assets classified as held-for-sale was due to the disposal of (1) part of the Company's equity interest in Angkasa Hong Leong Pte Ltd ("AHL") (now known as Angkasa Amsteel Pte. Ltd.) to its joint venture partner and (2) the Karimun quarry.

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

Amount repayable in one year or less, or on demand

| As at 30/09/2011 | | As at 31/12/2010 | |
|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>Secured</u> | <u>Unsecured</u> | <u>Secured</u> | <u>Unsecured</u> |
| \$123,257,163 | \$609,664,846 | \$32,268,494 | \$203,064,463 |

Amount repayable after one year

| As at 30/09/2011 | | As at 31/12/2010 | |
|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>Secured</u> | <u>Unsecured</u> | <u>Secured</u> | <u>Unsecured</u> |
| \$181,952,016 | \$52,206,387 | \$176,820,695 | \$43,858,998 |

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 2011 of \$352,228,000 (31 December 2010: \$289,524,000).

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

| | 3Q 2011 | 3Q 2010 | YTD 3Q 2011 | YTD 3Q 2010 |
|--|-----------------|----------------------|----------------------|----------------------|
| | \$'000 | (restated) \$'000 | (restated) \$'000 | (restated) \$'000 |
| Operating Activities | | | | |
| Profit before income tax from continuing operations | 53,707 | 85,846 | 205,591 | 299,823 |
| Profit/(loss) before income tax from discontinued operations | 77 | 536 | (75) | 1,759 |
| Adjustment for: | | | | |
| Depreciation and amortisation | 29,080 | 25,269 | 90,546 | 79,519 |
| Allowance made/(written back) for stock obsolescence | 203 | (107) | (3,016) | (3,892) |
| Impairment losses (written back)/made for trade and other receivables | (405) | (5,350) | 1,226 | 1,696 |
| Cost of share-based payment | 215 | 23 | 701 | 105 |
| Fair value loss on investments | - | - | 1,347 | - |
| Impairment losses/(reversal) on property, plant and equipment and assets held-for-sale | 163 | 5,861 | (2,406) | 5,057 |
| (Gain)/loss on disposal of property, plant and equipment | (227) | (348) | 2,883 | (2,379) |
| Gain on disposal of assets held-for-sale | (26,343) | (435) | (26,343) | (435) |
| Gain on disposal of land use rights | (121) | - | (2,001) | - |
| Loss on disposal of investment | - | - | - | 6 |
| (Gain)/loss on disposal/liquidation of subsidiaries | - | (54) | 469 | (576) |
| Loss on liquidation of an associate | - | - | 682 | - |
| Finance costs | 10,497 | 11,346 | 35,845 | 36,781 |
| Dividends and interest income | (4,940) | (4,414) | (12,282) | (12,845) |
| Provision for warranties and other costs, net | 23,031 | 18,696 | 64,710 | 78,643 |
| Share of profit of associates | (2,779) | (741) | (22,094) | (2,079) |
| Operating profit before working capital changes | 82,158 | 136,128 | 335,783 | 481,183 |
| Changes in working capital: | | | | |
| Inventories | 10,920 | 9,937 | 68,842 | 60,213 |
| Trade and other receivables | (119,372) | (49,671) | (659,592) | (736,999) |
| Trade and other payables | (207,023) | (88,955) | (81,689) | 267,829 |
| Provisions utilised | (27,209) | (22,662) | (75,510) | (59,114) |
| | (260,526) | (15,223) | (412,166) | 13,112 |
| Income tax paid | (7,784) | (12,547) | (57,563) | (67,906) |
| Cash flows used in operating activities | (268,310) | (27,770) | (469,729) | (54,794) |
| Investing Activities | | | | |
| Interests and dividends received | 8,041 | 5,995 | 18,166 | 14,679 |
| Proceeds from disposal of a subsidiary, net of cash disposed | - | 377 | - | 373 |
| Proceeds from disposal of associates and joint ventures | - | - | 867 | - |
| Proceeds from disposal of investments | - | - | - | 35 |
| Proceeds from disposal of property, plant and equipment | 5,642 | 1,583 | 20,735 | 9,747 |
| Proceeds from disposal of land use rights | - | - | 3,845 | - |
| Proceeds from disposal of assets held-for-sale | 28,000 | 62,250 | 35,650 | 62,250 |
| Acquisition of non-controlling interests in a subsidiary | (17,526) | (6,005) | (51,826) | (12,215) |
| Investments in associates and joint ventures | (751) | - | (751) | - |
| Purchase of property, plant and equipment | (54,468) | (44,250) | (153,324) | (100,553) |
| Payment of land use rights | (3,461) | - | (16,897) | (14,664) |
| Purchase of intangible assets | (768) | (19) | (2,489) | (301) |
| Cash flows (used in)/from investing activities | (35,291) | 19,931 | (146,024) | (40,649) |
| Financing Activities | | | | |
| Proceeds from share issue | 33 | 47 | 639 | 1,147 |
| Grant received from government | - | - | 15,349 | 22,601 |
| Capital contribution by non-controlling interests of a subsidiary | - | - | - | 9,898 |
| Capital reduction by a subsidiary | - | (7,169) | - | (7,169) |
| Proceeds from bank borrowings | 188,850 | 16,488 | 258,520 | 120,386 |
| Proceeds from issuance of bond | 134,291 | - | 328,024 | - |
| Repayment of bank borrowings | (45,374) | (97,096) | (97,975) | (165,181) |
| Repayment of obligations under finance leases | - | - | (9,911) | - |
| Dividends paid to shareholders of the Company | (11,216) | (11,207) | (37,383) | (37,354) |
| Dividends paid to non-controlling interests of subsidiaries | (3,355) | - | (88,960) | (24,579) |
| Release of fixed deposits pledged with banks | - | - | 5 | 20,892 |
| Interest paid | (11,831) | (11,450) | (39,598) | (38,868) |
| Cash flows from/(used in) financing activities | 251,398 | (110,387) | 328,710 | (98,227) |
| Net decrease in cash and cash equivalents | (52,203) | (118,226) | (287,043) | (193,670) |
| Cash and cash equivalents at beginning of the period | 901,800 | 975,703 | 1,167,479 | 1,054,674 |
| Effects of exchange rate changes on cash and cash equivalents | 30,163 | (24,373) | (676) | (27,900) |
| Cash and cash equivalents at end of the period | 879,760 | 833,104 | 879,760 | 833,104 |
| Comprising: | | | | |
| Fixed deposit, bank and cash balances | | | 890,803 | 847,959 |
| Less: Bank overdraft | | | (11,021) | (14,805) |
| Fixed deposits pledged | | | (22) | (50) |
| | | | 879,760 | 833,104 |

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

| | 3Q 2011 \$'000 | 3Q 2010 \$'000 | YTD 3Q 2011 \$'000 | YTD 3Q 2010 \$'000 |
|---|-------------------|-------------------|-----------------------|-----------------------|
| Disposals | | | | |
| Non-current assets | - | 64 | - | 64 |
| Net current assets | - | 1,113 | - | 1,113 |
| Non-controlling interests | - | (576) | (205) | (576) |
| Capital reserves | - | - | 711 | - |
| Realisation of translation difference | - | (5) | (37) | (531) |
| Gain/(loss) on liquidation of a subsidiary | - | 54 | (469) | 576 |
| Total cash consideration | - | 650 | - | 646 |
| Less: Cash and bank balances of subsidiaries disposed | - | (273) | - | (273) |
| Disposal of a subsidiary, net of cash disposed | - | 377 | - | 373 |

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 | Discount/(premium) paid on acquisition of non-controlling interests \$'000 | Reserve of disposal group classified as held-for-sale as \$'000 | Revenue reserve \$'000 | Total attributable to owners of the parent \$'000 | Non-controlling 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 issued during the period | 1,062 | - | - | - | - | - | - | - | - | 1,062 | - | 1,062 |
| Cost of share-based payments | - | - | - | - | 54 | - | - | - | - | 54 | - | 54 |
| Acquisition of business combination and others | - | - | - | - | - | - | - | - | (143) | (143) | 217 | 74 |
| Dividends paid/payable to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | (9,499) | (9,499) |
| Shares issued to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | 5,962 | 5,962 |
| Changes in ownership interests in subsidiaries that do not result in a loss of control | | | | | | | | | | | | |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - | (3,879) | (3,879) |
| Discount/(premium) paid on acquisition of non-controlling interests | - | - | - | - | - | - | (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 non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | (15,080) | (15,080) |
| Shares issued to non-controlling interests 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) |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - | (7,348) | (7,348) |
| Discount/(premium) paid on acquisition of non-controlling interests | - | - | - | - | - | - | 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 reserve \$'000 | Statutory reserve \$'000 | Fair value reserve \$'000 | Equity compensation reserve \$'000 | Translation reserve \$'000 | Discount/(premium) paid on acquisition of non-controlling interests \$'000 | Reserve of disposal group classified as held-for-sale S\$'000 | Revenue reserve \$'000 | Total attributable to owners of the parent \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|--|-------------------------|---------------------------|-----------------------------|------------------------------|---------------------------------------|-------------------------------|---|--|---------------------------|--|-------------------------------------|------------------------|
| The Group | | | | | | | | | | | | |
| At 1 January 2011 | 266,143 | (28,672) | 32,568 | 48,395 | 1,477 | (47,269) | (1,451) | 2,353 | 494,852 | 768,396 | 1,187,999 | 1,956,395 |
| Total comprehensive income for the period | - | - | - | 1,380 | - | (13,815) | - | - | 28,469 | 16,034 | 21,126 | 37,160 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners</i> | | | | | | | | | | | | |
| Share issued during the period | 549 | - | - | - | - | - | - | - | - | 549 | - | 549 |
| Cost of share-based payment | - | - | - | - | 248 | - | - | - | - | 248 | - | 248 |
| Realisation of reserves on disposal of assets | - | - | - | (2,978) | - | - | - | - | - | (2,978) | (2,568) | (5,546) |
| At 31 March 2011 | 266,692 | (28,672) | 32,568 | 46,797 | 1,725 | (61,084) | (1,451) | 2,353 | 523,321 | 782,249 | 1,206,557 | 1,988,806 |

| | | | | | | | | | | | | |
|---|---------|----------|--------|--------|-------|----------|---------|---------|----------|----------|-----------|-----------|
| At 1 April 2011 | 266,692 | (28,672) | 32,568 | 46,797 | 1,725 | (61,084) | (1,451) | 2,353 | 523,321 | 782,249 | 1,206,557 | 1,988,806 |
| Total comprehensive income for the period | - | - | - | 519 | - | (9,871) | - | - | 19,054 | 9,702 | 29,786 | 39,488 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners</i> | | | | | | | | | | | | |
| Share issued during the period | 57 | - | - | - | - | - | - | - | - | 57 | - | 57 |
| Cost of share-based payment | - | - | - | - | 238 | - | - | - | - | 238 | - | 238 |
| Dividends paid to shareholders | - | - | - | - | - | - | - | - | (26,167) | (26,167) | - | (26,167) |
| Reserve attributable to disposal group classified as held-for-sale | - | (860) | - | - | - | 4,516 | - | (3,656) | - | - | - | - |
| Realisation of reserves on disposal of assets held-for-sale | - | - | - | - | - | - | - | (1,177) | - | (1,177) | - | (1,177) |
| Dividends paid/payable to non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | - | - | (85,605) | (85,605) |
| Realisation of reserves on liquidation of a subsidiary | - | 711 | - | - | - | (37) | - | - | - | 674 | (205) | 469 |
| Changes in ownership interests in subsidiaries that do not result in a loss of control | | | | | | | | | | | | |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - | (34,346) | (34,346) |
| Discount/(premium) paid on acquisition of non-controlling interests | - | - | - | - | - | - | 46 | - | - | 46 | - | 46 |
| At 30 June 2011 | 266,749 | (28,821) | 32,568 | 47,316 | 1,963 | (66,476) | (1,405) | (2,480) | 518,208 | 765,622 | 1,116,187 | 1,881,809 |

| | | | | | | | | | | | | |
|---|---------|----------|--------|---------|-------|----------|---------|---------|----------|----------|-----------|-----------|
| At 1 July 2011 | 266,749 | (28,821) | 32,568 | 47,316 | 1,963 | (66,476) | (1,405) | (2,480) | 518,208 | 765,622 | 1,116,187 | 1,881,809 |
| Total comprehensive income for the period | - | - | - | (4,856) | - | 37,762 | - | - | 27,804 | 60,710 | 81,611 | 142,321 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners</i> | | | | | | | | | | | | |
| Share issued during the period | 33 | - | - | - | - | - | - | - | - | 33 | - | 33 |
| Cost of share-based payment | - | - | - | - | 215 | - | - | - | - | 215 | - | 215 |
| Dividends paid to shareholders | - | - | - | - | - | - | - | - | (11,216) | (11,216) | - | (11,216) |
| Realisation of reserves on disposal of assets held-for-sale | - | 25,699 | - | - | - | 984 | - | (1,178) | (26,679) | (1,174) | 2,091 | 917 |
| Dividends paid/payable to non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | - | - | (3,355) | (3,355) |
| Changes in ownership interests in subsidiaries that do not result in a loss of control | | | | | | | | | | | | |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - | (27,084) | (27,084) |
| Discount/(premium) paid on acquisition of non-controlling interests | - | - | - | - | - | - | 9,558 | - | - | 9,558 | - | 9,558 |
| At 30 September 2011 | 266,782 | (3,122) | 32,568 | 42,460 | 2,178 | (27,730) | 8,153 | (3,658) | 508,117 | 823,748 | 1,169,450 | 1,993,198 |

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 | Fair value reserve \$'000 | Equity compensation reserve \$'000 | Revenue reserve \$'000 | Total equity \$'000 |
|---|-------------------------|---------------------------|------------------------------|---------------------------------------|---------------------------|------------------------|
| The Company | | | | | | |
| 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 issued 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 issued 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 |

| | | | | | | |
|---|---------|-------|-----|-------|--------|---------|
| At 1 January 2011 | 266,143 | 9,199 | 8 | 1,424 | 28,988 | 305,762 |
| Total comprehensive income for the period | - | - | (6) | - | 28,779 | 28,773 |
| Share issued during the period | 549 | - | - | - | - | 549 |
| Cost of share-based payment | - | - | - | 248 | - | 248 |
| At 31 March 2011 | 266,692 | 9,199 | 2 | 1,672 | 57,767 | 335,332 |

| | | | | | | |
|---|---------|-------|---|-------|----------|----------|
| At 1 April 2011 | 266,692 | 9,199 | 2 | 1,672 | 57,767 | 335,332 |
| Total comprehensive income for the period | - | - | - | - | 2,596 | 2,596 |
| Share issued during the period | 57 | - | - | - | - | 57 |
| Cost of share-based payment | - | - | - | 238 | - | 238 |
| Dividends | - | - | - | - | (26,167) | (26,167) |
| At 30 June 2011 | 266,749 | 9,199 | 2 | 1,910 | 34,196 | 312,056 |

| | | | | | | |
|---|---------|-------|---|-------|----------|----------|
| At 1 July 2011 | 266,749 | 9,199 | 2 | 1,910 | 34,196 | 312,056 |
| Total comprehensive income for the period | - | - | - | - | 8,584 | 8,584 |
| Share issued during the period | 33 | - | - | - | - | 33 |
| Cost of share-based payment | - | - | - | 215 | - | 215 |
| Dividends | - | - | - | - | (11,216) | (11,216) |
| At 30 September 2011 | 266,782 | 9,199 | 2 | 2,125 | 31,564 | 309,672 |

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 2011 | 373,851,559 | 266,749 |
| Shares issued for cash upon the exercise of options under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme") | 23,000 | 33 |
| Balance as at 30 September 2011 | 373,874,559 | 266,782 |

The Company did not hold any treasury shares as at 30 September 2011 and 30 September 2010.

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

During 3Q 2011, the following options were exercised pursuant to the terms of the Scheme:

| Year of Grant | Exercise Price Per Share | 3Q 2011 | 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 | - | 1,031,400 |
| 2008 | \$2.36 | - | 380,000 |
| 2009 | \$1.42 | 23,000 | 66,000 |
| 2011 | \$3.17 | - | - |
| 2011 | \$2.62 | - | - |
| Total | | 23,000 | 9,794,900 |

As at 30 September 2011, there were a total of 1,624,000 (30 September 2010: 1,305,200) unissued shares under options granted pursuant to the Scheme. Details are as follows:

| Year of Grant | Exercise Price | Number of Outstanding Options |
|---------------|----------------|-------------------------------|
| 2008 | \$2.36 | 470,000 |
| 2009 | \$1.42 | 34,000 |
| 2011 | \$3.17 | 920,000 |
| 2011 | \$2.62 | 200,000 |
| Total | | 1,624,000 |

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company did not hold any treasury shares as at 30 September 2011 and 31 December 2010.

The total number of issued ordinary shares as at 30 September 2011 and 31 December 2010 were 373,874,559 and 373,573,359 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 2011.

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 2010.

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 February 2010. Insofar as the Group is concerned, these revised accounting standards are effective on 1 January 2011 as 2011 is the first annual period for the Group subsequent to 1 February 2010. 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.

| <i>Description</i> | <i>Effective for annual periods beginning on or after</i> |
|--|---|
| Amendment to FRS 32 <i>Financial Instruments: Presentation - Classification of Rights Issues</i> | 1 February 2010 |
| INT FRS 119 <i>Extinguishing Financial Liabilities with Equity Instruments</i> | 1 July 2010 |
| Revised FRS 24 <i>Related Party Disclosures</i> | 1 January 2011 |
| Amendments to INT FRS 114 <i>Prepayments of a Minimum Funding Requirement</i> | 1 January 2011 |
| INT FRS 115 <i>Agreements for the Construction of Real Estate</i> | 1 January 2011 |

Except for the revised FRS 24, the adoption of the other standards and interpretations above has no material impact on the financial statements of the Group.

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationship and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. As this is a disclosure standard, it will have no impact on the financial position or financial performance of 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 2011 | 3Q 2010 | YTD 3Q 2011 | YTD 3Q 2010 |
| Earnings per ordinary share based on net profit attributable to shareholders | | | | |
| (i) Based on the weighted average number of ordinary shares in issue (cts) | 7.44 | 5.52 | 20.15 | 23.75 |
| (ii) On a fully diluted basis (cts) | 7.44 | 5.52 | 20.15 | 23.72 |

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 | |
|--|-----------|------------|-----------|------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| 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 2011 and as at 31 December 2010 (cts) | 220.33 | 205.69 | 82.83 | 81.85 |

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) – 2011 versus 2010

Reduced availability of bank credit, withdrawal of favourable government policies, the appreciation of the Renminbi against major global currencies and inflationary pressure resulted in a moderation of China's economic growth. This had a dampening effect on the performance of the Group.

Profit for the period of the Group fell from \$70.9 million to \$44.3 million. However profit attributable to owners of the parent improved from \$20.6 million to \$27.8 million primarily due to a \$26.0 million gain from the sale of the quarry on Karimun Island. The performance of building materials unit ("BMU") was also better in 3Q 2011 driven by higher profit from ready-mix concrete sales and non-recurrence of impairment losses on the assets of the Karimun quarry. But this was substantially negated by losses incurred by the consumer products unit ("Xinfei") and lower profit achieved by the diesel engines unit ("Yuchai").

In 3Q 2011, the Singapore dollar continued to strengthen against the Renminbi and this had the effect of decreasing sales revenue by 5 percent. Weak sales of white goods by Xinfei continued to be a drag on the sales revenue of the Group. Demand for products in the industrial packaging unit ("Rex") softened due to high stock levels in the trade. The sales revenue of BMU was affected by project delays, lower cement sales and the deconsolidation of AHL following the disposal of part of the Company's interest in the said entity in May 2011. Although sales in Yuchai slowed marginally, higher unit selling prices improved its sales revenue.

A decline in unit sales by Xinfei, higher raw material costs incurred by Yuchai, lower sales of building materials and exchange effect from the strength of the Singapore dollar were the primary factors which accounted for the decline in gross profit. These were however mitigated by the absence of impairment charges on the fixed assets of the Karimun quarry.

Included in Other Income in 3Q 2011 was a \$26.0 million gain from the sale of the Karimun quarry. Exchange loss in 3Q 2011, in contrast to an exchange gain in 3Q 2010, largely accounted for the other variance in Other Income.

Total operating expenses were favourably affected by a \$10.7 million exchange translation effect with a large part of it coming from selling and distribution ("S&D") expenses. However, S&D expenses were still higher due to rising labour costs in China and increases in sales incentives and warranty costs (Yuchai) even though Xinfei incurred lower S&D expenses due to lower sales volume.

Except for exchange translation effect, research and development (“R&D”) and general and administrative (“G&A”) expenses did not vary much for the comparative quarters.

Share of profits of associates in 3Q 2011 included share of profits from two associates of Tasek Corporation Berhad (“Tasek”). These two associates were previously classified as “Assets classified as held-for-sale” until February 2011.

Year-to-date September (YTD September) – 2011 versus 2010

In response to policy tightening, China’s GDP growth continued to moderate. This has affected the performance of the Group’s China operations. Profit for YTD September 2011 declined by 31.4 percent to \$172.8 million compared to \$251.9 million achieved in the same period of last year. Profit attributable to the owners of the parent however declined by a lower margin of 15.1 percent to \$75.3 million (YTD September 2010: \$88.7 million) largely from a \$26.0 million gain from the sale of Karimun quarry and the recognition of share of profits of \$14.8 million from two associates of Tasek for reason mentioned in the preceding section.

Sales revenue declined year-on-year largely from a combination of policy changes by the Chinese government, challenges of the white goods industry and exchange translation effect.

Despite the addition of washing machine as a new product line in 2011, Xinfei sold about 9 percent less white goods in China year-on-year, partly as a result of a scale back of sales of airconditioners. Export sales continued to be marginal. Destocking by the trade combined with the withdrawal of certain favourable policies by the Chinese government caused less diesel engines to be sold by Yuchai this year. Sales revenue of Yuchai was also affected by proportionately higher sales in off-highway diesel engines vis-à-vis medium duty engines. Sales of industrial packaging products fell from reduced orders by major customers from excessive stocks in the pipeline. Despite stronger ready-mix concrete sales, sales revenue of BMU fell from lower sales of precast concrete and cement. The Group’s green technology business segment (“GPac”) sold more pallets during the year but its revenue contribution remained insignificant.

Gross profit was affected by rising labour and high raw material costs incurred by Yuchai, Xinfei and Rex. Lower sales volumes in these three business units, exchange translation as well as a shift towards lower margin diesel engine sales also affected gross profit. However these were partly compensated by the absence of impairment loss on the assets of the Karimun quarry as well as better margins from sales of ready-mix concrete.

Included in Other Income during the year was \$26.0 million gain from the sale of the Karimun quarry. The other factors accounting for the variance in Other Income included lower grant received from the Chinese government for its R&D activities, exchange loss on loan receivable and losses on sale of some fixed assets (in contrast to gains made in YTD September 2010) and impairment charge made on the Group’s investments in Thakral Corporation Ltd (“Thakral”).

A common major factor in lower operating expenses in each of the functional area of S&D, R&D and G&A was exchange translation effect totaling \$34.4 million.

Sales expenses were also lower due to volume and performance-related factors and lower provision for doubtful debts but these were partially offset by higher warranty costs and incentives provided to dealers to assist them to clear goods still in the channels following the expiry of the fourth rural subsidy program in mid March 2011.

Yuchai incurred lower third party consultancy fees on its R&D projects but these were more than offset by higher prototyping and mould costs incurred by Xinfei.

Lower performance-related bonus was the other main factor for the lower G&A expenses although this was mitigated by higher depreciation expense on fair value adjustments on assets relating to the Group’s hospitality business.

Taxation was lower due largely to lower pre-tax profit and a tax refund received by the Group’s Malaysian subsidiary.

Working Capital and Cash Flow

Cash and cash equivalents of the Group as at 30 September 2011 compared to 30 September 2010 increased primarily due to higher net bank borrowings and the issuance of corporate bonds by Yuchai. However, the deficit on cash flow from operating activities increased in 3Q 2011 due to

reduced pre-tax profit, increase in trade and other receivables and a reduction in trade and other payables, the latter two factors a likely result from the tightening of bank credit in China.

The Group also invested more on capital expenditure in 3Q 2011 and Yuchai increased its equity contributions in joint venture companies. Although the Group divested its shareholding in the Karimun quarry in 3Q 2011, the proceeds from this divestment were much lower than those received when it divested part of its equity holdings in Thakral. All these factors resulted in a net cash outflow from investing activities in 3Q 2011, a contrast to a net cash inflow in 3Q 2010.

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.

Uncertainty in the Eurozone and weakness in US economy continue to dampen markets across the globe. The Eurozone is going through its worst economic crisis since it was set up and its inability to manage the serious debt problem has caused financial volatility around the world. China's economic growth continues to slow down as the country maintains its tight monetary policy to contain inflation which has been a major challenge in the country. To combat inflation, interest rate and reserve ratio of the banks had been raised several times during the year. Tight controls over lending have particularly dampened the property market, one of the key drivers for growth. Overall, the business environment in China is expected to be sluggish in the near term.

As we enter the low season for the refrigerator and freezer business, Xinfei is likely to see declining unit sales till the end of the year. Impact will be felt arising from the removal of the rural subsidy program in the three provinces where Xinfei has a significant market position. Sale of diesel engines is expected to improve from the previous quarter although the industry continues to see weaknesses in the truck segment. The Group expects the sales mix to continue to shift to off-highway engines. The Singapore construction industry has remained buoyant and the building material business is expected to stay robust as more precast orders are converted to sales.

Barring unforeseen circumstances including any change in policies of the Chinese government and any change in business climate, the Group expects to end the year profitably although we will face challenges in the last quarter.

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.

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.

13. Interested persons transactions

No interested persons transactions ('IPT') were concluded under the Company's IPT Mandate for the quarter ended 30 September 2011.

14. 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 2011 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Beng
Chairman

Francis Yuen Kin Pheng
Director & CEO

11 November 2011

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. 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.

16. 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.

17. A breakdown of sales.

Not applicable.

BY ORDER OF THE BOARD

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

11 November 2011