

Unaudited Third Quarter And Nine Months Financial Statement For The Period Ended 30 September 2012

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 months ended 30 September ("YTD 3Q") 2012. These figures have not been audited. Certain comparative figures for 3Q 2011 and YTD 3Q 2011 have been restated to be consistent with the classification for 3Q 2012 and YTD 3Q 2012.

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

	3Q 2012 \$'000	3Q 2011 (restated) \$'000	Group		+/- %	
			+/- %	YTD 3Q 2012 \$'000		YTD 3Q 2011 (restated) \$'000
Continuing operations						
Revenue	981,469	1,013,694	-3.2%	3,167,800	3,496,328	-9.4%
Cost of sales	(762,310)	(793,824)	-4.0%	(2,467,449)	(2,722,244)	-9.4%
Gross profit	219,159	219,870	-0.3%	700,351	774,084	-9.5%
Other income	14,673	27,880	-47.4%	40,359	44,335	-9.0%
Selling and distribution expenses	(120,579)	(122,052)	-1.2%	(362,022)	(401,108)	-9.7%
Research and development costs	(23,166)	(20,175)	14.8%	(65,532)	(59,038)	11.0%
General and administrative expenses	(43,750)	(44,098)	-0.8%	(127,963)	(138,931)	-7.9%
Finance costs	(13,597)	(10,497)	29.5%	(56,754)	(35,845)	58.3%
Profit from continuing operations	32,740	50,928	-35.7%	128,439	183,497	-30.0%
Share of profit of associates and jointly-controlled entity, net of tax	2,086	2,858	-27.0%	5,963	7,403	-19.5%
Profit before income tax from continuing operations	34,826	53,786	-35.3%	134,402	190,900	-29.6%
Income tax expense	(14,886)	(9,525)	56.3%	(38,816)	(32,747)	18.5%
Profit from continuing operations, net of tax	19,940	44,261	-54.9%	95,586	158,153	-39.6%
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	-	70	NM	-	(93)	NM
Profit for the period	19,940	44,331	-55.0%	95,586	158,060	-39.5%
Attributable to:						
Owners of the Company						
Profit/(loss) from continuing operations, net of tax	(1,032)	27,849	NM	17,873	64,864	-72.4%
Profit/(loss) from discontinued operations, net of tax	-	12	NM	-	(15)	NM
	(1,032)	27,861	NM	17,873	64,849	-72.4%
Non-controlling interests						
Profit/(loss) from continuing operations, net of tax	20,972	16,412	27.8%	77,713	93,289	-16.7%
Profit/(loss) from discontinued operations, net of tax	-	58	NM	-	(78)	NM
	20,972	16,470	27.3%	77,713	93,211	-16.6%

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

	3Q 2012	3Q 2011	Group		YTD 3Q 2011	+/-
			+	-		
	\$'000	\$'000	%	\$'000	\$'000	%
Profit from operations include the following:						
(Loss)/gain on disposal of property, plant and equipment and land use rights ⁽¹⁾	(2,111)	348	NM	(4,269)	(882)	384.0%
Impairment losses (recognised)/written back on property, plant and equipment, development properties and assets classified as held-for-sale ⁽²⁾	(3)	(163)	-98.2%	(602)	2,406	NM
Impairment losses written back/(recognised) for trade and other receivables	979	405	141.7%	95	(1,226)	NM
Allowance (made)/written back for inventories write down ⁽³⁾	(1,320)	(203)	550.2%	(3)	3,016	NM
Depreciation and amortisation	(29,846)	(29,080)	2.6%	(87,168)	(90,546)	-3.7%
Foreign exchange gain/(loss), net ⁽⁴⁾	4,271	(3,760)	NM	4,923	(2,103)	NM

NM: Not meaningful

- (1) The loss on disposal of property, plant and equipment in 3Q 2012 and YTD 3Q 2012 arose largely from the write-off of property, plant and equipment no longer in use. The loss in YTD 3Q 2011 came primarily from the loss incurred in the sale of office building by one of the Group's China subsidiaries.
- (2) Impairment losses in YTD 3Q 2012 mainly related to the Group's hospitality business in China. Impairment losses written back in YTD 3Q 2011 related to property, plant and equipment of the steel fabrication unit and the Group's development properties in Malaysia.
- (3) The group made further allowance for inventories write down in 3Q 2012 for its white goods business. The allowance for inventories written back in YTD 3Q 2011 was relating to those stocks subsequently sold by the Group's diesel engines unit.
- (4) Foreign exchange gain in 3Q 2012 and YTD 3Q 2012 mainly arose from translation of monetary assets and liabilities following strengthening of Singapore dollar vis-à-vis United States dollar at the end of 3Q 2012. The foreign exchange loss in 3Q 2011 and YTD 3Q 2011 was largely due to the weaker Singapore dollar vis-à-vis United States dollar at the end of 3Q 2011.

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 2012 included an under provision of \$14,000 (3Q 2011: over provision of \$438,000) in respect of prior years. The Group's tax charge for YTD 3Q 2012 included under provision of \$845,000 (YTD 3Q 2011: over provision of \$4,766,000) in respect of prior years.

1(a)(iv) Statement of Comprehensive Income

	3Q 2012	3Q 2011	Group		+/-	
	\$'000	(restated) \$'000	+/-	YTD 3Q 2012		YTD 3Q 2011
			%	\$'000	(restated) \$'000	%
Profit for the period	19,940	44,331	-55.0%	95,586	158,060	-39.5%
Other comprehensive income						
Exchange differences on translation of financial statements of foreign subsidiaries and associates	(51,603)	102,925	NM	(80,487)	49,175	NM
Net fair value changes	104	(4,856)	NM	(1,120)	(2,957)	-62.1%
Total other comprehensive income for the period, net of tax	(51,499)	98,069	NM	(81,607)	46,218	NM
Total comprehensive income for the period	(31,559)	142,400	NM	13,979	204,278	-93.2%
Attributable to:						
Owners of the Company	(16,372)	60,767	NM	(5,449)	75,968	NM
Non-controlling interests	(15,187)	81,633	NM	19,428	128,310	-84.9%
Total comprehensive income for the period	(31,559)	142,400	NM	13,979	204,278	-93.2%
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	(16,372)	60,755	NM	(5,449)	75,983	NM
Total comprehensive income from discontinued operations, net of tax	-	12	NM	-	(15)	NM
Total comprehensive income for the period attributable to owners of the Company	(16,372)	60,767	NM	(5,449)	75,968	NM

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	
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
Non-current assets				
Property, plant and equipment	1,246,503	1,275,919	540	685
Land use rights	125,239	135,309	-	-
Intangible assets	91,953	72,117	400	603
Investment in subsidiaries	-	-	213,344	210,824
Interests in associates	63,606	61,449	13,726	13,726
Interests in jointly-controlled entities	22	23	-	-
Other investments	3,955	4,007	-	-
Deferred tax assets	92,878	101,352	7	7
Non-current receivables	8,315	5,684	-	-
	1,632,471	1,655,860	228,017	225,845
Current assets				
Other investments	10,207	9,265	16	16
Inventories	599,359	733,424	-	-
Development properties	10,676	11,390	-	-
Trade and other receivables	1,652,778	1,830,859	244,122	238,472
Cash and short-term deposits	1,154,363	1,208,450	810	1,913
Assets classified as held-for-sale	-	15,285	-	7,500
	3,427,383	3,808,673	244,948	247,901
Current liabilities				
Trade and other payables	1,809,619	1,936,819	32,698	19,030
Provisions	71,967	82,602	-	-
Loans and borrowings	816,387	964,080	135,866	142,993
Current tax payable	21,949	35,605	-	-
Liabilities classified as held-for-sale	-	7,635	-	-
	2,719,922	3,026,741	168,564	162,023
Net current assets	707,461	781,932	76,384	85,878
Non-current liabilities				
Loans and borrowings	218,857	233,656	-	-
Deferred tax liabilities	42,859	42,047	27	27
Deferred grants	62,783	65,404	-	-
Retirement benefits	201	233	-	-
	324,700	341,340	27	27
Net assets	2,015,232	2,096,452	304,374	311,696
Capital and reserves				
Share capital	266,830	266,830	266,830	266,830
Reserves	555,738	587,387	37,544	44,866
	822,568	854,217	304,374	311,696
Non-controlling interests	1,192,664	1,242,235	-	-
Total Equity	2,015,232	2,096,452	304,374	311,696

Explanatory Notes to Statement of Financial Position

Group

- Intangible assets as at 30 September 2012 increased by \$19.8 million largely due to trademark, patent and development cost and provisional goodwill arising from the acquisition of Airwell Air-conditioning (Asia) Company Limited group ("Airwell") and Fedders Hong Kong Company Limited. In accordance with FRS 103, the provisional goodwill is subject to finalization of the purchase price allocation exercise within 12 months from the date of acquisition.
- The reduction in current assets was due largely to lower inventories and trade and other receivables compared to the end of 2011. The decline was due to lower sales volume with some of the business units entering into the low sales season, in addition to the maturity and discounting of bank bills.
- Reduction in current liabilities was due mainly to lower trade and other payables and loans and borrowings. The reduction in borrowings was due mainly to the redemption of short term bonds.

Company

- During the period, the Company provided advances to its subsidiaries to acquire interest and additional capital injection in Airwell. This was funded by bank borrowings which had since been paid down from dividends and repayment of advances received from subsidiaries.

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

Amount repayable in one year or less, or on demand

As at 30.9.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured
\$222,487,759	\$593,899,732	\$181,258,962	\$782,821,008

Amount repayable after one year

As at 30.9.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured
\$185,357,884	\$33,498,660	\$181,284,993	\$52,371,133

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 of \$460,848,000 as at 30 September 2012 (31 December 2011: \$408,755,000).

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 2012	3Q 2011 (restated)	YTD 3Q 2012	YTD 3Q 2011 (restated)
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before tax from continuing operations	34,826	53,786	134,402	190,900
Profit/(loss) before tax from discontinued operations	-	77	-	(75)
Profit before tax, total	34,826	53,863	134,402	190,825
Adjustments for:				
Share of profit of associates and jointly-controlled entities, net of tax	(2,086)	(2,858)	(5,963)	(7,403)
Cost of share-based payments	83	215	249	701
Depreciation and amortisation	29,846	29,080	87,168	90,546
Allowance made/(written back) for inventories write-down	1,320	203	3	(3,016)
Impairment losses (written back)/recognised for trade and other receivables	(979)	(405)	(95)	1,226
Impairment losses recognised/(written back) on property, plant and equipment, development property and assets classified as held-for-sale	3	163	602	(2,406)
Finance costs	13,597	10,497	56,754	35,845
Dividend income	(18)	(14)	(373)	(377)
Interest income	(5,073)	(4,926)	(16,538)	(11,905)
(Gain)/loss on disposal of:				
- subsidiaries	-	-	(296)	469
- associates	-	-	-	682
- property, plant and equipment	2,111	(227)	4,269	2,883
- land use rights	-	(121)	-	(2,001)
- assets held-for-sale	-	(26,343)	-	(26,343)
Fair value (gain)/loss on investments	(930)	1,759	(1,691)	3,071
Provision for warranties and other costs, net	17,950	23,031	58,206	64,710
Operating profit before working capital changes	90,650	83,917	316,697	337,507
Changes in working capital:				
Inventories	3,958	10,920	118,989	68,842
Trade and other receivables	(324,505)	(121,131)	93,817	(661,638)
Trade and other payables	(30,804)	(207,023)	(56,760)	(81,689)
Provisions utilised	(21,466)	(27,209)	(65,620)	(75,510)
Cash flows (used in)/from operations	(282,167)	(260,526)	407,123	(412,488)
Income tax paid	(8,013)	(7,784)	(44,560)	(57,563)
Cash flows (used in)/from operating activities	(290,180)	(268,310)	362,563	(470,051)
Investing activities				
Acquisition of subsidiaries and businesses, net of cash acquired	-	-	(7,088)	-
Acquisition of non-controlling interests in a subsidiary	-	(17,526)	-	(51,826)
Purchase of treasury shares in a subsidiary from non-controlling interests	-	-	(8,482)	-
Investment in associates	-	(751)	-	(751)
Dividends received from:				
- associates	-	2,456	2,657	3,956
- other investments	18	14	373	377
Interest received	6,128	5,571	19,176	14,155
Purchase of:				
- property, plant and equipment	(52,920)	(54,468)	(117,294)	(153,324)
- land use rights	-	(3,461)	(3,520)	(16,897)
- intangible assets	(638)	(768)	(1,741)	(2,489)
- other investments	-	-	(5)	-
Proceeds from disposal of:				
- subsidiaries, net of cash disposed	-	-	3,510	-
- associates	-	-	-	867
- property, plant and equipment	511	5,642	2,978	20,735
- land use rights	-	-	-	3,845
- assets held-for-sale	-	28,000	7,650	35,650
Net cash flows used in investing activities	(46,901)	(35,291)	(101,786)	(145,702)
Financing activities				
Dividend paid to:				
- non-controlling interests of subsidiaries	(2,804)	(3,355)	(53,277)	(88,960)
- shareholders of the Company	(3,739)	(11,216)	(22,434)	(37,383)
Interest paid	(15,002)	(11,831)	(62,676)	(39,598)
Proceeds from borrowings	47,054	188,850	371,026	258,520
Proceeds from issuance of short-term bonds	198,900	134,291	198,900	328,024
(Placement)/release of fixed deposits pledged with banks	(47,541)	-	(47,519)	5
Proceeds from share issues	-	33	-	639
Capital contribution by non-controlling interests of a subsidiary	813	-	813	-
Grant received from government	5,908	-	8,746	15,349
Repayment in respect of borrowings	(97,875)	(45,374)	(364,330)	(97,975)
Repayment of obligation under finance leases	(200)	-	(206)	(9,911)
Redemption of short-term bonds	(139,230)	-	(338,697)	-
Net cash flows (used in)/from financing activities	(53,716)	251,398	(309,654)	328,710
Net decrease in cash and cash equivalents	(390,797)	(52,203)	(48,877)	(287,043)
Cash and cash equivalents at beginning of the period	1,535,151	901,800	1,208,271	1,167,479
Effect of exchange rate changes on balances held in foreign currencies	(38,600)	30,163	(53,640)	(676)
Cash and cash equivalents at end of the period	1,105,754	879,760	1,105,754	879,760
Comprising:				
Cash and short-term deposits			1,154,363	890,803
Less: Bank overdraft			(1,068)	(11,021)
Fixed deposits pledged			(47,541)	(22)
			1,105,754	879,760

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

	3Q 2012 \$'000	3Q 2011 \$'000	YTD 3Q 2012 \$'000	YTD 3Q 2011 \$'000
Acquisitions				
Non-current assets	-	-	26,119	-
Net current liabilities	-	-	(11,995)	-
Non-controlling interests	-	-	(5,105)	-
Goodwill	-	-	2,476	-
Currency translation differences	-	-	(211)	-
Total consideration	-	-	11,284	-
Less: Cash and cash equivalents of subsidiaries acquired	-	-	(4,196)	-
Acquisition of subsidiaries, net of cash acquired	-	-	7,088	-
Disposals				
Non-current assets	-	-	22,077	-
Net current liabilities	-	-	(4,268)	-
Non-controlling interests	-	-	(13,075)	(205)
Capital reserves	-	-	-	711
Realisation of translation differences	-	-	-	(37)
Gain/(loss) on disposal/liquidation of subsidiaries	-	-	296	(469)
Currency translation differences	-	-	(33)	-
Total cash consideration	-	-	4,997	-
Less: Cash and cash equivalents of subsidiaries disposed/liquidated	-	-	(1,487)	-
Disposal/liquidation of subsidiaries, net of cash disposed	-	-	3,510	-

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 held-for-sale \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group												
Closing balance at 31 December 2010 (as previously stated)	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
Adjustment arising from reclassification of assets classified as held-for-sale	-	-	-	-	-	(5)	-	-	10,663	10,658	4,282	14,940
At 1 January 2011 (restated)	266,143	(28,672)	32,568	48,395	1,477	(47,274)	(1,451)	2,353	505,515	779,054	1,192,281	1,971,335
Total comprehensive income for the period	-	-	-	1,380	-	(13,815)	-	-	18,518	6,083	17,107	23,190
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Shares issued during the period	549	-	-	-	-	-	-	-	-	549	-	549
Cost of share-based payments	-	-	-	-	248	-	-	-	-	248	-	248
Realisation of reserves upon disposal of assets	-	-	-	(2,978)	-	-	-	-	-	(2,978)	(2,568)	(5,546)
At 31 March 2011 (restated)	266,692	(28,672)	32,568	46,797	1,725	(61,089)	(1,451)	2,353	524,033	782,956	1,206,820	1,989,776
Closing balance at 1 April 2011 (as previously stated)	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
Adjustment arising from reclassification of assets classified as held-for-sale	-	-	-	-	-	(5)	-	-	712	707	263	970
At 1 April 2011 (restated)	266,692	(28,672)	32,568	46,797	1,725	(61,089)	(1,451)	2,353	524,033	782,956	1,206,820	1,989,776
Total comprehensive income for the period	-	-	-	519	-	(9,871)	-	-	18,470	9,118	29,570	38,688
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Shares issued during the period	57	-	-	-	-	-	-	-	-	57	-	57
Cost of share-based payments	-	-	-	-	238	-	-	-	-	238	-	238
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(26,167)	(26,167)	-	(26,167)
Reserves attributable to disposal group classified as held-for-sale	-	(860)	-	-	4,516	-	-	(3,656)	-	-	-	-
Realisation of reserves upon 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 upon disposal of a subsidiary	-	711	-	-	-	(37)	-	-	-	674	(205)	469
Changes in ownership interests in subsidiaries												
Discount on acquisition of non-controlling interests	-	-	-	-	-	-	46	-	-	46	(34,346)	(34,300)
At 30 June 2011 (restated)	266,749	(28,821)	32,568	47,316	1,963	(66,481)	(1,405)	(2,480)	516,336	765,745	1,116,234	1,881,979
Closing balance at 1 July 2011 (as previously stated)	266,749	(28,821)	32,568	47,316	1,963	(66,476)	(1,405)	(2,480)	516,208	765,622	1,116,187	1,881,809
Adjustment arising from reclassification of assets classified as held-for-sale	-	-	-	-	-	(5)	-	-	128	123	47	170
At 1 July 2011 (restated)	266,749	(28,821)	32,568	47,316	1,963	(66,481)	(1,405)	(2,480)	516,336	765,745	1,116,234	1,881,979
Total comprehensive income for the period	-	-	-	(4,856)	-	37,762	-	-	27,861	60,767	81,633	142,400
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Shares issued during the period	33	-	-	-	-	-	-	-	-	33	-	33
Cost of share-based payments	-	-	-	-	215	-	-	-	-	215	-	215
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(11,216)	(11,216)	-	(11,216)
Realisation of reserves upon 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												
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,084)	(27,084)
Discount on acquisition of non-controlling interests	-	-	-	-	-	-	9,558	-	-	9,558	-	9,558
At 30 September 2011 (restated)	266,782	(3,122)	32,568	42,460	2,178	(27,735)	8,153	(3,658)	506,302	823,928	1,169,519	1,993,447

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 held-for-sale \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group												
At 1 January 2012	266,830	(2,437)	33,802	46,760	2,047	(27,714)	11,146	-	523,783	854,217	1,242,235	2,096,452
Total comprehensive income for the period	-	-	-	(1,154)	-	(6,877)	-	-	13,925	5,894	11,341	17,235
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Cost of share-based payments	-	-	-	-	83	-	-	-	-	83	-	83
Transfer to statutory reserve	-	-	(3)	-	-	-	-	-	3	-	-	-
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,482)	(8,482)
Realisation of reserves upon disposal of assets classified as held-for-sale	-	882	-	-	-	(4,695)	-	-	-	(3,813)	-	(3,813)
Premium paid on acquisition of non-controlling interests	-	-	-	-	-	-	(192)	-	-	(192)	192	-
At 31 March 2012	<u>266,830</u>	<u>(1,555)</u>	<u>33,799</u>	<u>45,606</u>	<u>2,130</u>	<u>(39,286)</u>	<u>10,954</u>	<u>-</u>	<u>537,711</u>	<u>856,189</u>	<u>1,245,286</u>	<u>2,101,475</u>
At 1 April 2012	266,830	(1,555)	33,799	45,606	2,130	(39,286)	10,954	-	537,711	856,189	1,245,286	2,101,475
Total comprehensive income for the period	-	-	-	(70)	-	119	-	-	4,980	5,029	23,274	28,303
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Cost of share-based payments	-	-	-	-	83	-	-	-	-	83	-	83
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(18,695)	(18,695)	-	(18,695)
Transfer to statutory reserve	-	-	29	-	-	-	-	-	(29)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(8,416)	(8,416)
Shares issued during the year	-	-	-	-	-	-	-	-	-	-	171	171
Relisation of reserves on liquidation of subsidiary	-	-	(17)	-	-	-	-	-	-	(17)	-	(17)
Discount on acquisition of non-controlling interests	-	-	-	-	-	-	7	-	-	7	-	7
Dividends paid/payable to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(50,473)	(50,473)
At 30 June 2012	<u>266,830</u>	<u>(1,555)</u>	<u>33,811</u>	<u>45,536</u>	<u>2,213</u>	<u>(39,167)</u>	<u>10,961</u>	<u>-</u>	<u>523,967</u>	<u>842,596</u>	<u>1,209,842</u>	<u>2,052,438</u>
At 1 July 2012	266,830	(1,555)	33,811	45,536	2,213	(39,167)	10,961	-	523,967	842,596	1,209,842	2,052,438
Total comprehensive income for the period	-	-	-	104	-	(15,444)	-	-	(1,032)	(16,372)	(15,187)	(31,559)
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Cost of share-based payments	-	-	-	-	83	-	-	-	-	83	-	83
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(3,739)	(3,739)	-	(3,739)
Shares issued during the year	-	-	-	-	-	-	-	-	-	-	813	813
Changes in ownership interests in subsidiaries												
Dividends paid/payable to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,804)	(2,804)
At 30 September 2012	<u>266,830</u>	<u>(1,555)</u>	<u>33,811</u>	<u>45,640</u>	<u>2,296</u>	<u>(54,611)</u>	<u>10,961</u>	<u>-</u>	<u>519,196</u>	<u>822,568</u>	<u>1,192,664</u>	<u>2,015,232</u>

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	Accumulated profits \$'000	Total equity \$'000
The Company						
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
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	549	-	-	-	-	549
Cost of share-based payments	-	-	-	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
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	57	-	-	-	-	57
Cost of share-based payments	-	-	-	238	-	238
Dividends paid to shareholders	-	-	-	-	(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
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	33	-	-	-	-	33
Cost of share-based payments	-	-	-	215	-	215
Dividends paid to shareholders	-	-	-	-	(11,216)	(11,216)
At 30 September 2011	266,782	9,199	2	2,125	31,564	309,672
At 1 January 2012	266,830	9,199	-	1,994	33,673	311,696
Total comprehensive income for the period	-	-	-	-	719	719
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	83	-	83
At 31 March 2012	266,830	9,199	-	2,077	34,392	312,498
At 1 April 2012	266,830	9,199	-	2,077	34,392	312,498
Total comprehensive income for the period	-	-	-	-	14,973	14,973
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	83	-	83
Dividends paid to shareholders	-	-	-	-	(18,695)	(18,695)
At 30 June 2012	266,830	9,199	-	2,160	30,670	308,859
At 1 July 2012	266,830	9,199	-	2,160	30,670	308,859
Total comprehensive income for the period	-	-	-	-	(829)	(829)
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	83	-	83
Dividends paid to shareholders	-	-	-	-	(3,739)	(3,739)
At 30 September 2012	266,830	9,199	-	2,243	26,102	304,374

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 2012 and 30 September 2011.

There was no change in the Company's issued share capital during the three months ended 30 September 2012.

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 2012.

As at 30 September 2012, there were a total of 1,180,000 (30 September 2011: 1,624,000) 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
2011	\$3.17	510,000
2011	\$2.62	200,000
Total		1,180,000

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 2012 and 31 December 2011.

The total number of issued ordinary shares as at 30 September 2012 and 31 December 2011 was 373,908,559.

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 2012.

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 2011.

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 January 2012. Insofar as the Group is concerned, these revised accounting standards are effective on 1 January 2012 as 2012 is the first annual period for the Group subsequent to 1 January 2012. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

Description	Effective for annual periods beginning on or after
Amendments to FRS 107 Disclosures - Transfer of Financial Assets	1 July 2011

As the above is a disclosure standard, adoption of the standard will have no impact to the financial position and 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 2012	3Q 2011 (restated)	YTD 3Q 2012	YTD 3Q 2011 (restated)
Earnings per ordinary share based on net profit attributable to shareholders				
(i) Based on the weighted average number of ordinary shares in issue (cts)	(0.28)	7.45	4.78	17.35
(ii) On a fully diluted basis (cts)	(0.28)	7.45	4.78	17.35

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	
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
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 2012 and as at 31 December 2011 (cts)	219.99	228.46	81.40	83.36

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) – 2012 versus 2011

The Group's revenue decreased from \$1,013.7 million in 3Q 2011 to \$981.5 million for 3Q 2012, a decline of 3.2%. The decline was due largely to lower sales from the Group's diesel engines unit ("Yuchai") and lower sales of refrigerators and freezers by the Group's white goods unit ("Xinfei") as a result of continuing slowdown in China's economy in 3Q 2012. It was partly compensated by higher sales of the Group's building materials unit ("BMU") and the inclusion of revenue from the newly acquired air conditioning unit ("Airwell"). Sales of the Group's industrial packaging unit ("Rex") improved marginally.

Xinfei's sales continued to be affected by the slowdown in China's economy, keen competition and overcapacity, thereby resulting in lower sales volume for its various products for the quarter under review.

The sluggish operating environment highlighted in the earlier quarters persisted into 3Q 2012 resulting in the decline in overall sales in Yuchai as compared to the same quarter last year. The decline was mainly attributed to lower truck, industrial and marine engines sales. Engines used in trucks applications registered a bigger drop than the rest. Based on "China Automobile Industry Newsletter of Production & Sales" issued by China Association of Automobile Manufacturers, total demand for all types of trucks (including diesel trucks) in 3Q 2012 declined compared to the same period last year. Similar to 1H 2012, the decline was mostly in respect of the heavy trucks (those weighing more than 20 tons). In contrast, demand for diesel buses had increased. Thus engines used in agriculture and bus applications registered an improvement during the quarter under review as compared to the same period last year.

BMU, including Tasek Corporation Berhad ("Tasek") continued to benefit from the buoyant construction industries in both Singapore and Malaysia resulting in better sales for 3Q 2012 as compared to 3Q 2011. In particular, the quarter under review recorded improved performance from BMU's Precast and Ready-mix divisions and from Tasekas compared to 3Q 2011.

Revenue declined by 3.2% while gross profit fell 0.3% compared to 3Q 2011. However, gross margin improved by 0.6% from 21.7% in 3Q 2011 to 22.3% for 3Q 2012, due largely to the reduction in raw material costs and costs improvement programmes in the China operations. BMU, on the other hand, saw an increase in the cost of raw materials. Overall labour and plant overheads increased despite the drop in revenue. Gross margin in Xinfei and Yuchai were affected by lower average selling price. In addition, there was a shift in sales mix to lower margin 4-cylinder engines in Yuchai compared to the same quarter last year. Rex's gross margin improved as a result of lower resin cost and higher selling price while BMU's gross profit increased as a result of better sales volume.

Other income in 3Q 2011 was higher due largely to gain on disposal of PT Karimun Granite amounting to \$26.0 million. This reduction in other income in 3Q 2012 was partially offset by exchange gain, government grant and fair value gain from investment in Thakral Corporation Ltd.

Total operating expenses (including finance costs) were up by 2.2% compared to 3Q 2011.

Selling and distribution ("S&D") expenses fell primarily due to lower warranty costs in both Xinfei and Yuchai. The reduction was partially offset by the inclusion of Airwell's S&D expenses.

The increase in research and development expenses was largely attributed to Yuchai.

General and administrative ("G&A") expenses were marginally lower than 3Q 2011. For the quarter under review, Yuchai incurred lower expenses which was however offset by the increase in expenses in Xinfei, Rex and Airwell.

The increase in finance costs was due mainly to higher interest costs incurred by Xinfei and Yuchai arising from higher bills discounting and bank loans.

Share of profit from associates was lower largely due to lower income from an associate in Malaysia.

The higher effective tax rate in 3Q 2012 versus 3Q 2011 was mainly due to the losses and partial reversal of deferred tax assets in Xinfei and deferred tax liabilities recognized in 3Q 2012 in respect of the withholding tax for Yuchai's distributable profits in 3Q 2012.

The significantly lower profit in 3Q 2012 when compared to the same period last year was due mainly to the absence of a gain on sale of PT Karimun Granite in 3Q 2011 and further losses in Xinfei, which were partly offset by improvement in profits in Yuchai and BMU.

Year-to-date 30 September (YTD 3Q) – 2012 versus 2011

The Group's sales revenue for YTD 3Q 2012 declined by 9.4% or \$328.5 million compared to YTD 3Q 2011 despite the inclusion of Airwell's revenue for the current period under review. The slowdown in China's economy was the main contributing factor affecting the Group's major subsidiaries in China. As a result, sales volume for Xinfei and Yuchai were significantly lower than the same period last year. However, the buoyant construction industry in Singapore and Malaysia boosted the sales in BMU, particularly in its Precast and Ready-mix divisions and in Tasek. Rex's revenue improved slightly. The "China Automobile Industry Newsletter of Production & Sales" report issued by China Association of Automobile Manufacturers showed that the demand for diesel engines vehicles in the auto industry had declined by more than 10% compared to the same period last year.

Gross margin for YTD 3Q 2012 was in line with the same period in 2011 despite lower sales volume. The effect of lower volume to leverage the fixed production costs and increase in labour costs was mitigated by the reduction in raw material costs mainly in the Group's China operations. Xinfai's average selling price declined slightly while those in Yuchai had increased. In addition, there was also a shift in sales mix to lower margin 4-cylinder engines due to the change in demand in the market. The improvement in Rex's gross margin was due mainly to lower resin costs and higher selling prices.

YTD 3Q 2012 other income was lower than that for YTD 3Q 2011 by \$4.0 million. This was mainly due to the absence of gain on the sale of PT Karimun Granite of \$26.0 million in YTD 3Q 2011. The reduction in other income in YTD 3Q 2012 was partially offset by the increase in interest earned, exchange gain, government grant and fair value gain from investment in Thakral Corporation Ltd.

Overall reduction in operating expenses for YTD 3Q 2012 was mainly due to the decrease in S&D expenses and G&A expenses resulting from lower sales in China.

The reduction in S&D expenses were due mainly to lower volume-related and promotional expenses in Xinfai and Yuchai, particularly in advertising & promotion, sales incentives & rebates, delivery and warranty costs. S&D expenses as a percentage of sales was marginally lower in YTD 3Q 2012.

The increase in research and development expenses of \$6.5 million was attributed to Yuchai due to increase in staff and testing expenses.

The reduction in G&A expenses was due largely to absence of fair value adjustments on assets relating to the Group's hospitality business in YTD 3Q 2011 and lower staff costs incurred by Yuchai. The G&A expenses of Yuchai had decreased while the other business units had increased.

Finance costs increased significantly compared to the same period last year mainly due to higher interest costs incurred by Xinfai and Yuchai arising from higher bills discounting and borrowings.

Share of profit from associates dropped by \$1.4 million compared to the same period last year due to lower income from an associate in Malaysia.

The higher effective tax rate in YTD 3Q 2012 versus YTD 3Q 2011 was mainly due to the losses and partial reversal of deferred tax assets in Xinfai and deferred tax liabilities recognized in YTD 3Q 2012 in respect of the withholding tax for Yuchai's distributable profits in the current period under review.

YTD 3Q 2012 profit was significantly lower when compared to the same period last year due mainly to the gain on sale of PT Karimun Granite in YTD 3Q 2011. Also, Yuchai and Xinfai's results were lower than the same period last year due to the slowdown in the China's economy. This was partly mitigated by the improvement in BMU.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$1,154.4 million at the end of 3Q 2012 compared to \$890.8 million at the end of 3Q 2011, an increase of \$263.6 million.

During the quarter of 3Q 2012, the Group used \$290.2 million for operating activities compared to \$268.3 million in 3Q 2011. The reduction in operating cash attributed mainly to the lower discounting of bills receivable in Yuchai, which was partially offset by lower trade and other payables.

During the quarter under review, the Group incurred \$52.9 million for the purchase of property, plant and equipment.

Yuchai repaid Rmb0.7 billion bonds in July 2012 but issued another RMB-denominated, unsecured short term financing bonds of Rmb1.0 billion in the month of August 2012, resulting in a net increase of Rmb0.3 billion. The new issuance will bear a fixed annual interest rate of 4.45%.

9. Where a forecast, or 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.

The global economic recovery has not improved and is now forecast to grow at 3.3% for the whole of 2012 (a downward revision from the earlier 3.5% growth forecast for 2012) and 3.6% for 2013. The crisis in Europe remains the most obvious threat to the global economic outlook. Eurozone economy is still expected to go into a recession in 2012 with a mild recovery expected in 2013. Recent economic data indicated that US economic growth improved slightly in 3Q this year as a result of increased consumer and government spending. Full year 2012 growth is now forecast at 2.2%. China's economy is expected to grow at 7.7% this year. The comparatively lower growth is due mainly to sluggish external demand. However, recent economic data indicated that the economy may be bottoming out. Singapore's economy shrank by 1.5% in 3Q 2012 compared to 2Q this year but grew by 1.3% compared to 3Q last year. The construction sector contracted by 7.5% compared to 2Q 2012 due to decline in private sector building activities but grew by 8.6% over 3Q 2011. Singapore's economy is now forecast to grow at between 1.5% to 2.5% this year. Malaysia's economy is still forecast to grow at between 4.0% to 5.0% this year.

During the ongoing process of leadership change in China, the country is unlikely to see any major policy changes until the transition is completed. In addition, operating costs in China will continue to trend upwards as China continues to bring up the wages of low income workers.

The continued weakness in the truck industry and other engines applications, other than bus engines, is likely to result in the demand for diesel engine industry to moderate further. The shift in product mix to smaller engines is likely to continue in the short term. However, Yuchai still maintains its market position despite the slowdown. Xinfei's sales are likely to moderate as the refrigerator and freezer businesses enter the low season. The conclusion of the rural incentives program for the whole of China will also have an impact but this may be partially mitigated by the new incentive program on energy savings. In addition, Xinfei is expecting to launch new products in the coming months. However, Xinfei's performance will continue to be challenging. On the ground of prudence having in view the losses incurred by Xinfei, Xinfei has engaged an independent qualified valuer to perform a valuation of its fixed assets for the purpose of impairment assessment. Airwell has recently relocated its factory from Shenzhen to Taichang, Jiangsu.

The building materials industries in both Singapore and Malaysia remain positive as a result of the buoyant construction industry. The construction market in Malaysia is expected to continue to grow on the back of the new awards and implementation of infrastructure projects under the 10th Malaysia Plan and the Economic Transformation Program.

Barring any unforeseen circumstances including any change in policies of the Chinese government and any adverse change in the business climate, the Group expects to report a profit for the current financial year. However, the next quarter will continue to be challenging in view of the economic slowdown in China and there may be a tax exposure of up to \$8.0 million (including penalty and interest) as a result of the Chinese tax authority disagreeing with Xinfei on the application of the high tech incentive status granted for FY 2009. The discussion with the Chinese tax authority is still ongoing. Given that the Group's assets and operations are substantially located in China, the Group continues to be exposed to currency fluctuation risks.

As part of the Group's efforts to grow its businesses and enhance shareholders' 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? 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.

13. Interested persons transactions

No interested persons transactions ('IPT') were concluded under the Company's IPT Mandate for the quarter ended 30 September 2012.

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

14. 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.

15. 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.

16. A breakdown of sales.

Not applicable.

BY ORDER OF THE BOARD

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

14 November 2012

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 months ended 30 September 2012 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Beng
Chairman
14 November 2012

Francis Yuen Kin Pheng
Director & CEO