

Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

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Additional Details

For Financial Period Ended	30/09/2015
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Unaudited Third Quarter And Nine Months Financial Statement For The Period Ended 30 September 2015

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") 2015. These figures have not been audited or reviewed.

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 2015 \$'000	3Q 2014 \$'000	Group			+/- %
			+/- %	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	
Revenue	916,493	1,025,533	-10.6%	3,182,890	3,447,773	-7.7%
Cost of sales	(735,568)	(818,900)	-10.2%	(2,531,026)	(2,757,622)	-8.2%
Gross profit	180,925	206,633	-12.4%	651,864	690,151	-5.5%
Other income, net	2,981	13,855	-78.5%	13,871	32,048	-56.7%
Selling and distribution expenses	(104,217)	(97,716)	6.7%	(310,215)	(306,546)	1.2%
Research and development costs	(31,589)	(30,499)	3.6%	(92,732)	(83,151)	11.5%
General and administrative expenses	(43,968)	(44,746)	-1.7%	(136,323)	(128,591)	6.0%
Finance costs	(10,528)	(17,099)	-38.4%	(33,550)	(45,298)	-25.9%
(Loss)/Profit from operations	(6,396)	30,428	NM	92,915	158,613	-41.4%
Share of results of associates and joint ventures, net of tax	(590)	1,317	NM	(2,174)	512	NM
Gains arising from acquisitions	-	19,390	NM	-	19,390	NM
(Loss)/Profit before income tax	(6,986)	51,135	NM	90,741	178,515	-49.2%
Income tax expense	(8,055)	(12,117)	-33.5%	(40,283)	(45,063)	-10.6%
(Loss)/Profit for the period	(15,041)	39,018	NM	50,458	133,452	-62.2%
Attributable to:						
Owners of the Company	(16,740)	4,057	NM	(11,411)	26,939	NM
Non-controlling interests	1,699	34,961	-95.1%	61,869	106,513	-41.9%
	(15,041)	39,018	NM	50,458	133,452	-62.2%

Note: The Group's business is largely in China. Translation of income statement from Renminbi ("RMB") to Singapore dollar ("SGD") has been made at the average exchange rate of RMB4.5893 = SGD1.00 for 3Q 2015 and RMB4.9092 = SGD1.00 for 3Q 2014.

For the nine months ended 30 September, translation of income statement from RMB to SGD has been made at the average exchange rate of RMB4.5949 = SGD1.00 for YTD 3Q 2015 and RMB4.8735 = SGD1.00 for YTD 3Q 2014.

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

(Loss)/Profit before income tax include the following:	Group					
	3Q 2015 \$'000	3Q 2014 \$'000	+/- %	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	+/- %
Gain/(Loss) on disposal of property, plant and equipment and land use rights ⁽¹⁾	307	(286)	NM	(2,412)	(1,447)	66.7%
Impairment losses on property, plant and equipment and intangible assets ⁽²⁾	-	(4,249)	NM	-	(4,737)	NM
Impairment losses (recognised)/written back for trade and other receivables, net ⁽³⁾	(3,150)	343	NM	(6,197)	(1,161)	433.8%
Allowance made for inventories obsolescence, net ⁽⁴⁾	(1,438)	(698)	106.0%	(1,756)	(1,690)	3.9%
Depreciation and amortisation ⁽⁵⁾	(34,162)	(31,052)	10.0%	(103,263)	(91,580)	12.8%
Foreign exchange (loss)/gain, net ⁽⁶⁾	(2,169)	4,106	NM	(3,198)	2,163	NM
Fair value gain/(loss) on derivatives, net ⁽⁷⁾	1,390	(6,578)	NM	1,801	(2,282)	NM
Interest expense ⁽⁸⁾	(10,234)	(16,693)	-38.7%	(32,334)	(44,186)	-26.8%
Interest income ⁽⁹⁾	3,957	5,285	-25.1%	11,245	11,992	-6.2%
Waiver of trade payables ⁽¹⁰⁾	-	7,333	NM	-	7,333	NM
Gains arising from acquisitions ⁽¹¹⁾	-	19,390	NM	-	19,390	NM
Loss on disposal of subsidiary ⁽¹²⁾	(2,974)	-	NM	(2,974)	-	NM
Write-off of property, plant & equipment ⁽¹³⁾	(1,077)	(35)	2977.1%	(1,106)	(71)	1457.7%

NM: Not meaningful

- (1) Gain on disposal of property, plant and equipment in 3Q 2015 was attributed mainly to the Group's diesel engines unit ("Yuchai") and building materials unit ("BMU"). Loss on disposal of property, plant and equipment in 3Q 2014 was attributed mainly to Yuchai.

Loss on disposal of property, plant and equipment in YTD 3Q 2015 and YTD 3Q 2014 was attributed mainly to Yuchai.

- (2) Impairment losses in both 3Q 2014 and YTD 3Q 2014 were mainly related to intangible assets in Yuchai.
- (3) In 3Q 2015, the Group's consumer products unit ("Xinfei"), Yuchai and BMU made allowance for impairment losses for trade and other receivables. In 3Q 2014, Yuchai wrote back allowance for impairment losses for trade and other receivables upon successful collection of doubtful debts. This was partially offset by allowance for additional impairment losses made by Xinfei.

In YTD 3Q 2015 and YTD 3Q 2014, impairment losses for trade and other receivables arose mainly from Yuchai and Xinfei.

- (4) The allowance for inventories write-down in 3Q 2015 and YTD 3Q 2015 was mainly recorded by Xinfei and Yuchai arising from stock obsolescence.

Allowance for inventories obsolescence in 3Q 2014 and YTD 3Q 2014 was mainly related to Xinfei.

- (5) The increase in depreciation and amortisation in 3Q 2015 and YTD 3Q 2015 as compared to 3Q 2014 and YTD 3Q 2014 was mainly due to additional capital expenditure on property, plant and equipment incurred in Yuchai.
- (6) The net foreign exchange loss in 3Q 2015 and YTD 3Q 2015 was mainly due to revaluation of Euro denominated loan liability and SGD assets in Yuchai. This was partially offset by foreign exchange gain due to revaluation of SGD denominated loan liability in Xinfei as a result of the weakening of the RMB. The corresponding fair value gain (net) on the derivatives in Yuchai and Xinfei are reflected under Note (7) below.

The net foreign exchange gain in 3Q 2014 arose mainly from revaluation of Japanese Yen ("JPY") denominated loan in Yuchai following the weakening of the JPY vis-a-vis RMB.

(7) In 3Q 2015 and YTD 3Q 2015, the net fair value gain on derivatives (for hedging against foreign currency risk) mainly arose from forward foreign exchange contract in Yuchai. This was partially offset by fair value loss from coupon swap with range forward in Xinfei.

The net fair value loss on derivatives in 3Q 2014 and YTD 3Q 2014 was mainly related to Yuchai.

(8) The decrease in interest expense in 3Q 2015 and YTD 3Q 2015 was mainly due to lower bill discounting by Xinfei and Yuchai.

(9) The decrease in interest income in 3Q 2015 was mainly due to lower cash and deposits held.

(10) Gain in 3Q 2014 and YTD 3Q 2014 arose from waiver of trade payables in Yuchai.

(11) Gains arising from acquisitions in 3Q 2014 were due to Guangxi Yuchai Machinery Company Limited (“GYMCL”) increasing its shareholding interest in Yuchai Remanufacturing Services (Suzhou) Co., Ltd from 51% to 100% which resulted in a fair value gain and negative goodwill of \$13.2 million (RMB64.8 million). The balance was due to HL Global Enterprises Limited (“HLGE”) increasing its shareholding interest in a hotel property company from 45% to 100%. There were no such gains in the same period in 2015.

(12) Loss on disposal of subsidiary in 3Q 2015 arose from the disposal of GYMCL’s entire shareholding interest in Xiamen Yuchai Diesel Engines Co., Ltd. (“Xiamen Factory”). In addition, gain on disposal of Xiamen Factory plant and equipment of \$0.2 million (RMB1.1 million) and write-off of certain Xiamen Factory plant and equipment of \$1.0 million (RMB4.8 million) were recognised, and reflected in Note (1) and Note (13) respectively.

(13) Write-off of property, plant and equipment in 3Q 2015 mainly arose from the disposal of Xiamen Factory as mentioned in Note (12) above.

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

The Group’s tax charge for the period included an under provision of \$454,000 in 3Q 2015 (3Q 2014: over provision of \$56,000) in respect of prior years. The Group’s tax charge for YTD 3Q 2015 included an under provision of \$267,000 (YTD 3Q 2014: over provision of \$169,000) in respect of prior years.

1(a)(iv) Statement of Comprehensive Income

	3Q 2015	3Q 2014	Group	YTD 3Q 2015	YTD 3Q 2014	+/-
	\$'000	\$'000	+/-	\$'000	\$'000	%
(Loss)/Profit for the period	(15,041)	39,018	NM	50,458	133,452	-62.2%
Other comprehensive income						
Items that may be subsequently reclassified to income statement						
Transfer of reserve on initial equity interest in joint ventures on acquisition	-	(48)	NM	-	(48)	NM
Exchange differences on translation of financial statements of foreign subsidiaries, joint ventures and associated corporations	50,988	48,678	4.7%	79,448	(19,054)	NM
Net fair value changes of available-for-sale financial assets	(300)	(87)	244.8%	(368)	(51)	621.6%
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	4	NM	(64)	-	NM
Total other comprehensive income/(loss) for the period, net of tax	50,688	48,547	4.4%	79,016	(19,153)	NM
Total comprehensive income for the period	35,647	87,565	-59.3%	129,474	114,299	13.3%
Attributable to:						
Owners of the Company	(10,461)	18,911	NM	(1,910)	20,497	NM
Non-controlling interests	46,108	68,654	-32.8%	131,384	93,802	40.1%
Total comprehensive income for the period	35,647	87,565	-59.3%	129,474	114,299	13.3%

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	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Non-current assets				
Property, plant and equipment	1,292,409	1,276,373	364	260
Land use rights	145,987	146,699	-	-
Intangible assets	100,737	99,543	204	240
Investment in subsidiaries	-	-	204,455	204,455
Interests in associates	52,000	62,055	13,726	13,726
Interests in joint ventures	56,744	57,692	-	-
Other investments	1,401	1,766	-	-
Deferred tax assets	109,321	101,683	11	11
Non-current receivables	9,089	7,741	-	-
Long-term bank deposits	13,494	-	-	-
	1,781,182	1,753,552	218,760	218,692
Current assets				
Other investments	3,053	4,878	1	1
Inventories	542,433	583,908	-	-
Development properties	5,792	7,108	-	-
Trade and other receivables	2,472,600	2,115,359	352,459	290,218
Cash and short-term deposits	781,938	796,775	768	1,968
Derivatives	4,651	12	-	-
	3,810,467	3,508,040	353,228	292,187
Current liabilities				
Trade and other payables	1,910,879	1,741,378	5,095	5,076
Provisions	79,914	80,102	-	-
Loans and borrowings	991,196	577,998	199,342	117,375
Current tax payable	14,960	17,599	14	54
Derivatives	3,004	1,426	-	-
	2,999,953	2,418,503	204,451	122,505
Net current assets	810,514	1,089,537	148,777	169,682
Non-current liabilities				
Loans and borrowings	73,485	371,709	-	60,000
Deferred tax liabilities	42,593	47,159	1,890	1,890
Deferred grants	72,725	69,675	-	-
Other non-current payables	29,833	28,042	-	-
Retirement benefits	236	283	-	-
	218,872	516,868	1,890	61,890
Net assets	2,372,824	2,326,221	365,647	326,484
Capital and reserves				
Share capital	266,830	266,830	266,830	266,830
Reserves	593,606	600,545	98,817	59,654
	860,436	867,375	365,647	326,484
Non-controlling interests	1,512,388	1,458,846	-	-
Total Equity	2,372,824	2,326,221	365,647	326,484

Explanatory Notes to Statement of Financial Position

Group

- The increase in non-current assets was mainly due to higher property, plant and equipment (upon translation of assets arising from the strengthening of the RMB against SGD at quarter-end) and placement of long-term bank deposits by Yuchai. This was offset by reduction in interest in associates with the declaration of dividends by associates in 2Q 2015 and disposal of Xiamen Factory plant and equipment.
- The increase in current assets was mainly due to higher trade and other receivables in line with collection cycle and inclusion of non-trade receivables relating to disposal of Xiamen Factory but was partially offset by lower inventories and cash and short-term deposits.
- Current liabilities increased mainly due to higher trade and other payables, short-term bonds issued in 3Q 2015 and reclassification of loans and borrowings (maturing within the next 12 months) from non-current liabilities to current liabilities in Yuchai.
- Non-current liabilities decreased mainly due to reclassification of loans and borrowings (maturing within the next 12 months) from non-current liabilities to current liabilities in Yuchai.

Company

- Trade and other receivables increased mainly due to additional inter-company loans and advances granted to subsidiaries in 2015.
- Current loans and borrowings increased mainly due to reclassification of a loan (maturing within the next 12 months) from non-current liabilities to current liabilities.

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

Amount repayable in one year or less, or on demand

As at 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
\$71,860,314	\$919,336,144	\$14,718,792	\$563,279,380

Amount repayable after one year

As at 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
\$66,486,136	\$6,998,438	\$92,704,509	\$279,004,131

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 2015 of \$159,916,000 (31 December 2014: \$111,024,000).

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 2015 \$'000	3Q 2014 \$'000 (Restated)	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000 (Restated)
Operating activities				
(Loss)/profit before tax	(6,986)	51,135	90,741	178,515
Adjustments for:				
Share of results of associates and joint ventures, net of tax	590	(1,317)	2,174	(512)
Cost of share-based payments	515	461	1,968	491
Depreciation and amortisation	34,162	31,052	103,263	91,580
Allowance recognised for inventories obsolescence	1,438	698	1,756	1,690
Impairment losses recognised/(written back) for trade and other receivables	3,150	(343)	6,197	1,161
Impairment losses recognised for property, plant and equipment	-	4,249	-	4,737
Property, plant and equipment written off	1,077	35	1,106	71
Finance costs	10,528	17,099	33,550	45,298
Dividend income from other investments	(15)	(15)	(44)	(249)
Interest income	(3,957)	(5,285)	(11,245)	(11,992)
Loss/(gain) on disposal of:				
- subsidiaries	2,974	-	2,974	-
- joint ventures	-	-	(76)	-
- property, plant and equipment	(307)	286	2,960	1,487
- land use rights	-	-	(548)	(40)
Fair value loss on investments	614	547	2,033	530
Fair value (gain)/loss on derivatives	(1,390)	6,578	(1,801)	2,282
Waiver of trade payables	-	(7,333)	-	(7,333)
Gains arising from acquisition of subsidiaries	-	(19,390)	-	(19,390)
Provision for warranties and other costs, net	22,547	22,080	61,298	70,925
Operating profit before working capital changes	64,940	100,537	296,306	359,251
Changes in working capital:				
Inventories	52,927	11,703	49,402	40,921
Trade and other receivables	(292,819)	49,258	(243,552)	(177,579)
Trade and other payables	(20,637)	(33,793)	91,089	(65,332)
Provisions utilised	(22,825)	(21,873)	(65,295)	(67,642)
Cash flows (used in)/from operations	(218,414)	105,832	127,950	89,619
Income tax paid	(7,504)	(12,703)	(42,047)	(55,597)
Cash flows (used in)/from operating activities	(225,918)	93,129	85,903	34,022
Investing activities				
Acquisition of subsidiaries, net of cash acquired	-	(3,435)	-	(3,435)
Acquisition of non-controlling interests in subsidiaries	(2,663)	-	(2,663)	(6,610)
Investment in associates	(556)	-	(556)	(96)
Dividends received from:				
- associates and joint ventures	252	1,176	6,356	4,244
- other investments	15	15	44	249
Interest received	9,130	3,498	17,442	14,224
Release of fixed deposits and restricted deposits	23,309	45,642	32,431	162,948
Purchase of:				
- property, plant and equipment	(47,755)	(41,205)	(99,693)	(124,917)
- land use rights	-	(917)	-	(917)
- intangible assets	(34)	(846)	(839)	(4,802)
Proceeds from disposal of:				
- subsidiaries, net of cash disposed	33	-	33	-
- joint ventures	-	-	385	-
- property, plant and equipment	424	2,796	2,026	3,346
- land use rights	120	-	981	519
- other investments	-	-	-	21
Net cash flows (used in)/from investing activities	(17,725)	6,724	(44,053)	44,774
Financing activities				
Dividend paid to:				
- non-controlling interests of subsidiaries	(4,214)	(4,746)	(70,977)	(85,049)
- shareholders of the Company	(3,739)	(3,739)	(11,217)	(14,956)
Interest paid	(9,834)	(21,021)	(36,225)	(46,886)
Proceeds from borrowings	158,161	213,091	684,982	515,413
Proceeds from issuance of bonds	86,899	-	86,899	-
Capital contribution by non-controlling interests of subsidiaries	-	3,488	-	3,488
Grant received from government	499	1,043	3,700	4,488
Repayment in respect of borrowings	(136,490)	(111,730)	(682,144)	(472,860)
Repayment of obligation under finance leases	(472)	(416)	(1,270)	(1,317)
Net cash flows from/(used in) financing activities	90,810	75,970	(26,252)	(97,679)
Net (decrease)/increase in cash and cash equivalents	(152,833)	175,823	15,598	(18,883)
Cash and cash equivalents at beginning of the period	914,203	628,220	740,542	842,877
Effect of exchange rate changes on balances held in foreign currencies	9,575	5,826	14,805	(14,125)
Cash and cash equivalents at end of the period	770,945	809,869	770,945	809,869
Comprising:				
Cash and short-term deposits			781,938	860,241
Less: Bank overdraft			(701)	(168)
Less: Short-term investment and restricted deposits			(10,292)	(50,204)
			770,945	809,869

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

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

	3Q 2015 \$'000	3Q 2014 \$'000	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000
Acquisitions				
Non-current assets	-	46,688	-	46,688
Net current liabilities	-	(18,797)	-	(18,797)
Non-current liabilities	-	(1,283)	-	(1,283)
Revaluation reserves	-	(9,455)	-	(9,455)
Negative goodwill	-	(8,084)	-	(8,084)
Total consideration	-	9,069	-	9,069
Less: Amount previously accounted for as interest in joint ventures	-	(2,602)	-	(2,602)
Less: Cash and cash equivalents of subsidiaries acquired	-	(3,032)	-	(3,032)
Acquisition of subsidiaries, net of cash acquired	-	3,435	-	3,435
Disposal				
Non-current assets	18,412	-	18,412	-
Net current assets	25,854	-	25,854	-
Loss on disposal of a subsidiary	(2,974)	-	(2,974)	-
Total cash consideration	41,292	-	41,292	-
Less: Proceeds reflected as receivable	(37,163)	-	(37,163)	-
Less: Cash and cash equivalents of a subsidiary disposed	(4,096)	-	(4,096)	-
Disposal of a subsidiary, net of cash disposed	33	-	33	-

The attributable net assets of a joint venture liquidated during the period are as follows:

	3Q 2015 \$'000	3Q 2014 \$'000	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000
Cash	-	-	373	-
Net assets disposed	-	-	373	-
Gain on liquidation of a joint venture	-	-	76	-
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	-	(64)	-
Net cash inflow on liquidation of a joint venture	-	-	385	-

Comparatives

The following comparatives in the cash flow statement have been restated as follows:

	Note	As previously stated		Restatement		As restated	
		3Q 2014 \$'000	YTD 3Q 2014 \$'000	3Q 2014 \$'000	YTD 3Q 2014 \$'000	3Q 2014 \$'000	YTD 3Q 2014 \$'000
Depreciation and amortisation	(i)	26,668	78,429	4,384	13,151	31,052	91,580
Purchase of property, plant and equipment	(i)	(36,821)	(111,766)	(4,384)	(13,151)	(41,205)	(124,917)
Release of fixed deposits and restricted deposits	(ii)	21,389	70,647	24,253	92,301	45,642	162,948
<i>Impact on net cash flows:</i>							
Operating		88,745	20,871	4,384	13,151	93,129	34,022
Investing		(34,534)	(105,023)	41,258	149,797	6,724	44,774
Financing		97,359	(27,032)	(21,389)	(70,647)	75,970	(97,679)
Net increase/(decrease) in cash and cash equivalents		151,570	(111,184)	24,253	92,301	175,823	(18,883)
Cash and cash equivalents at beginning of the period	(ii), (iii)	701,080	983,305	(72,860)	(140,428)	628,220	842,877
Effect of exchange rate changes on balances held in foreign currencies	(iv)	7,423	(12,048)	(1,597)	(2,077)	5,826	(14,125)
Cash and cash equivalents at end of the period		860,073	860,073	(50,204)	(50,204)	809,869	809,869
Comprising:							
Cash and short-term deposits		860,241	860,241	-	-	860,241	860,241
Less: Bank overdraft		(168)	(168)	-	-	(168)	(168)
Less: Short-term investment and restricted deposits		-	-	(50,204)	(50,204)	(50,204)	(50,204)
		860,073	860,073	(50,204)	(50,204)	809,869	809,869

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

Comparatives

Note:

The restatement and reclassification mentioned below did not have any impact to both the Statement of Financial Position of the Group as at 30 September 2014 and the Income Statement for the quarter and nine months then ended.

- (i) Disclosure of depreciation and purchase of property, plant and equipment in the Cash Flow Statement was previously understated by \$4,384,000 for 3Q 2014 and \$13,151,000 for YTD 3Q 2014 respectively, affecting only 1(a)(ii) Notes to the Income Statement and 1(c) Cash Flow Statement in the Company's financial results announcement for the quarter and nine months ended 30 September 2014. This had no effect on the financial performance as depreciation was correctly reflected in the Income Statement for both 3Q 2014 and YTD 3Q 2014.
- (ii) This is largely due to reclassification of fixed deposits released from financing activities to investing activities in 3Q 2014 and YTD 3Q 2014. In addition, Yuchai had restricted cash of RMB500 million relating to trade receivables as at 31 December 2013, which had been factored and fully settled by customers. The amount, which had previously been classified as part of the cash and cash equivalents, was reclassified as restricted cash as at 31 December 2013. The amount was fully released from the bank in the first quarter ("1Q") of 2014.
- (iii) Cash and cash equivalents as at 1 January 2014 (and 1 July 2014) have been restated to reflect the following items:
 - (1) The restricted cash of RMB500.0 million (1 July 2014: RMB105.0 million) mentioned in Note (ii) above;
 - (2) The fixed deposit of RMB110.5 million (1 July 2014: RMB199.7 million) reclassified from cash and cash equivalents to short-term investment made by Yuchai;
 - (3) The deposits of RMB54.3 million (1 July 2014: RMB57.6 million) pledged with the bank by Xinfei (which had previously been classified as part of the cash and cash equivalents).
- (iv) This is the effect of currency translation difference for the amount reclassified from cash and cash equivalents to short-term investment and restricted cash in Note (iii) above.

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.

	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Equity compensation reserve \$'000	Translation reserve \$'000	Discount on acquisition of non-controlling interests \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Statement of Changes in Equity											
The Group											
Closing balance as at 31 December 2013 (as previously stated)	266,830	(1,569)	34,896	45,525	2,390	(19,313)	13,173	499,347	841,279	1,384,550	2,225,829
Adjustment arising from change in accounting policy At 1 January 2014 (restated)	-	-	-	-	-	317	-	296	613	1,951	2,564
	266,830	(1,569)	34,896	45,525	2,390	(18,996)	13,173	499,643	841,892	1,386,501	2,228,393
Profit for the period	-	-	-	-	-	-	-	13,267	13,267	36,199	49,466
Other comprehensive income											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(18,973)	-	-	(18,973)	(39,773)	(58,746)
Net fair value changes of available-for-sale financial assets	-	-	-	53	-	-	-	-	53	-	53
Other comprehensive income for the period	-	-	-	53	-	(18,973)	-	-	(18,920)	(39,773)	(58,693)
Total comprehensive income for the period	-	-	-	53	-	(18,973)	-	13,267	(5,653)	(3,574)	(9,227)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Cost of share-based payments	-	-	-	-	15	-	-	-	15	-	15
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests At 31 March 2014	-	-	-	-	-	-	2,251	-	2,251	(8,861)	(6,610)
	266,830	(1,569)	34,896	45,578	2,405	(37,969)	15,424	512,910	838,505	1,374,066	2,212,571
At 1 April 2014	266,830	(1,569)	34,896	45,578	2,405	(37,969)	15,424	512,910	838,505	1,374,066	2,212,571
Profit for the period	-	-	-	-	-	-	-	9,615	9,615	35,353	44,968
Other comprehensive income											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(2,355)	-	-	(2,355)	(6,631)	(8,986)
Net fair value changes of available-for-sale financial assets	-	-	-	(17)	-	-	-	-	(17)	-	(17)
Realisation of reserves upon liquidation of subsidiary	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Other comprehensive income for the period	-	-	(4)	(17)	-	(2,355)	-	-	(2,376)	(6,631)	(9,007)
Total comprehensive income for the period	-	-	(4)	(17)	-	(2,355)	-	9,615	7,239	28,722	35,961
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Cost of share-based payments	-	-	-	-	15	-	-	-	15	-	15
Dividends paid to shareholders	-	-	-	-	-	-	-	(11,217)	(11,217)	-	(11,217)
Dividends paid to non-controlling interests of subsidiaries At 30 June 2014	-	-	-	-	-	-	-	-	-	(80,303)	(80,303)
	266,830	(1,569)	34,892	45,561	2,420	(40,324)	15,424	511,308	834,542	1,322,485	2,157,027
At 1 July 2014	266,830	(1,569)	34,892	45,561	2,420	(40,324)	15,424	511,308	834,542	1,322,485	2,157,027
Profit for the period	-	-	-	-	-	-	-	4,057	4,057	34,961	39,018
Other comprehensive income											
Transfer of reserves on initial equity interest in joint ventures on acquisition	-	-	-	-	-	-	-	-	-	(48)	(48)
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	14,937	-	-	14,937	33,741	48,678
Net fair value changes of available-for-sale financial assets	-	-	-	(87)	-	-	-	-	(87)	-	(87)
Realisation of reserves upon liquidation of subsidiary	-	-	4	-	-	-	-	-	4	-	4
Other comprehensive income for the period	-	-	4	(87)	-	14,937	-	-	14,854	33,693	48,547
Total comprehensive income for the period	-	-	4	(87)	-	14,937	-	4,057	18,911	68,654	87,565
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Cost of share-based payments	-	-	-	-	179	-	-	-	179	282	461
Shares issued to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	3,488	3,488
Dividends paid to shareholders	-	-	-	-	-	-	-	(3,739)	(3,739)	-	(3,739)
Dividends paid to non-controlling interests of subsidiaries At 30 September 2014	-	-	-	-	-	-	-	-	-	(4,746)	(4,746)
	266,830	(1,569)	34,896	45,474	2,599	(25,387)	15,424	511,626	849,893	1,390,163	2,240,056

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 on acquisition of non-controlling interests \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group											
At 1 January 2015	266,830	293	35,321	45,579	2,872	(11,915)	17,204	511,191	867,375	1,458,846	2,326,221
Profit for the period	-	-	-	-	-	-	-	4,691	4,691	22,656	27,347
<u>Other comprehensive income</u>											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	23,739	-	-	23,739	59,376	83,115
Net fair value changes of available-for-sale financial assets	-	-	-	(30)	-	-	-	-	(30)	-	(30)
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	-	-	-	-	(32)	-	-	(32)	(32)	(64)
Other comprehensive income for the period	-	-	-	(30)	-	23,707	-	-	23,677	59,344	83,021
Total comprehensive income for the period	-	-	-	(30)	-	23,707	-	4,691	28,368	82,000	110,368
Transactions with owners, recorded directly in equity											
<u>Contributions by and distributions to owners</u>											
Cost of share-based payments	-	-	-	-	281	-	-	-	281	454	735
At 31 March 2015	266,830	293	35,321	45,549	3,153	11,792	17,204	515,882	896,024	1,541,300	2,437,324
At 1 April 2015	266,830	293	35,321	45,549	3,153	11,792	17,204	515,882	896,024	1,541,300	2,437,324
Profit for the period	-	-	-	-	-	-	-	638	638	37,514	38,152
<u>Other comprehensive income</u>											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(20,417)	-	-	(20,417)	(34,238)	(54,655)
Net fair value changes of available-for-sale financial assets	-	-	-	(38)	-	-	-	-	(38)	-	(38)
Other comprehensive income for the period	-	-	-	(38)	-	(20,417)	-	-	(20,455)	(34,238)	(54,693)
Total comprehensive income for the period	-	-	-	(38)	-	(20,417)	-	638	(19,817)	3,276	(16,541)
Transactions with owners, recorded directly in equity											
<u>Contributions by and distributions to owners</u>											
Cost of share-based payments	-	-	-	-	274	-	-	-	274	444	718
Dividends paid to shareholders	-	-	-	-	-	-	-	(7,478)	(7,478)	-	(7,478)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(66,763)	(66,763)
At 30 June 2015	266,830	293	35,321	45,511	3,427	(8,625)	17,204	509,042	869,003	1,478,257	2,347,260
At 1 July 2015	266,830	293	35,321	45,511	3,427	(8,625)	17,204	509,042	869,003	1,478,257	2,347,260
Loss for the period	-	-	-	-	-	-	-	(16,740)	(16,740)	1,699	(15,041)
<u>Other comprehensive income</u>											
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	6,579	-	-	6,579	44,409	50,988
Net fair value changes of available-for-sale financial assets	-	-	-	(300)	-	-	-	-	(300)	-	(300)
Realisation of statutory reserve upon disposal of a foreign operation	-	-	(1,284)	-	-	-	-	1,284	-	-	-
Other comprehensive income for the period	-	-	(1,284)	(300)	-	6,579	-	1,284	6,279	44,409	50,688
Total comprehensive income for the period	-	-	(1,284)	(300)	-	6,579	-	(15,456)	(10,461)	46,108	35,647
Transactions with owners, recorded directly in equity											
<u>Contributions by and distributions to owners</u>											
Cost of share-based payments	-	-	-	-	207	-	-	-	207	308	515
Shares issued to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	4,122	4,122
Dividends paid to shareholders	-	-	-	-	-	-	-	(3,739)	(3,739)	-	(3,739)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(4,214)	(4,214)
<u>Changes in ownership interests in subsidiaries</u>											
Acquisition of non-controlling interests	-	3,842	-	-	-	-	1,584	-	5,426	(12,193)	(6,767)
At 30 September 2015	266,830	4,135	34,037	45,211	3,634	(2,046)	18,788	489,847	860,436	1,512,388	2,372,824

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 2014	266,830	9,199	2	2,337	39,258	317,626
Total comprehensive income for the period	-	-	-	-	229	229
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	15	-	15
At 31 March 2014	266,830	9,199	2	2,352	39,487	317,870
At 1 April 2014	266,830	9,199	2	2,352	39,487	317,870
Total comprehensive income for the period	-	-	(2)	-	20,738	20,736
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	15	-	15
Dividends paid to shareholders	-	-	-	-	(11,217)	(11,217)
At 30 June 2014	266,830	9,199	-	2,367	49,008	327,404
At 1 July 2014	266,830	9,199	-	2,367	49,008	327,404
Total comprehensive income for the period	-	-	-	-	527	527
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	15	-	15
Dividends paid to shareholders	-	-	-	-	(3,739)	(3,739)
At 30 September 2014	266,830	9,199	-	2,382	45,796	324,207
At 1 January 2015	266,830	9,199	-	2,397	48,058	326,484
Total comprehensive income for the period	-	-	-	-	21,127	21,127
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	14	-	14
At 31 March 2015	266,830	9,199	-	2,411	69,185	347,625
At 1 April 2015	266,830	9,199	-	2,411	69,185	347,625
Total comprehensive income for the period	-	-	-	-	18,540	18,540
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	14	-	14
Dividends paid to shareholders	-	-	-	-	(7,478)	(7,478)
At 30 June 2015	266,830	9,199	-	2,425	80,247	358,701
At 1 July 2015	266,830	9,199	-	2,425	80,247	358,701
Total comprehensive income for the period	-	-	-	-	10,671	10,671
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Cost of share-based payments	-	-	-	14	-	14
Dividends paid to shareholders	-	-	-	-	(3,739)	(3,739)
At 30 September 2015	266,830	9,199	-	2,439	87,179	365,647

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 2015, 31 December 2014 and 30 September 2014.

There was no change in the Company's issued share capital during the three months ended 30 September 2015.

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 2015.

As at 30 September 2015, there were a total of 1,590,000 (30 September 2014: 1,470,000) unissued shares under option 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	380,000
2014	\$1.31	540,000
2015	\$1.45	200,000
Total		1,590,000

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 total number of issued ordinary shares as at 30 September 2015 and 31 December 2014 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 2015.

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

The figures have not been audited or 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 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

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

	Group			
	3Q 2015	3Q 2014	YTD 3Q 2015	YTD 3Q 2014
Earnings per ordinary share based on net profit attributable to shareholders				
(i) Based on the weighted average number of ordinary shares in issue (cts)	(4.48)	1.09	(3.05)	7.20
(ii) On a fully diluted basis (cts)	(4.48)	1.09	(3.05)	7.20

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
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 2015 and as at 31 December 2014 (cts)	230.12	231.98	97.79	87.32

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.

3Q 2015 versus 3Q 2014

Revenue for the Group decreased by \$109.0 million to \$0.9 billion as compared to 3Q 2014. The decrease was mainly due to lower revenue from the diesel engines unit ("Yuchai") and the building materials unit ("BMU") but partially offset by higher revenue from the consumer products unit ("Xinfei"). The Group suffered a loss attributable to the owners of the Company ("PATMI") for the quarter under review of \$16.7 million. The Company had provided guidance on the same in its profit guidance announcement issued on 30 September 2015. The loss was attributable to higher loss incurred by Xinfei and the profits generated by other profitable business units such as Yuchai and BMU were not sufficient to offset the loss incurred by Xinfei.

- Despite introduction of several new models and advertising campaign, the revenue of Xinfei continued to be affected by the weaker home appliance market in China and the general slowdown in China's economy. The over-capacity in the industry has resulted in competitors slashing selling prices to gain market share. As a result of Xinfei's unit sales increasing by 14.3% in 3Q 2015 as compared to the same period in 2014, Xinfei's revenue increased by 12.0% in 3Q 2015 compared to 3Q 2014.
- Revenue of Yuchai for 3Q 2015 decreased by \$109.5 million compared to 3Q 2014. The total number of engines sold by Yuchai during 3Q 2015 was 84,170 units compared with 111,023 units in the same quarter of 2014, representing a decrease of 26,853 units or 24.2%. This was mainly due to the general weakness of the commercial vehicle market in China and the general slowdown in China's economy. According to the China Association of Automobile Manufacturers ("CAAM"), commercial vehicle sales (excluding gasoline-powered vehicles) declined by 5.5% in 3Q 2015 compared to the same quarter last year. The market remained weak in the heavy-duty and medium-duty truck and medium-duty bus segments.
- Revenue of BMU for 3Q 2015 decreased by 7.3% as compared to 3Q 2014 due to the lower sales from the ready-mixed concrete division.
- Revenue of the industrial packaging unit ("Rex") for 3Q 2015 declined by 6.2% as compared to 3Q 2014. The demand from existing customers remains weak.
- Revenue of the air-conditioning systems unit ("Airwell") for 3Q 2015 increased by 13.8% as compared to 3Q 2014.

The Group's gross profit margin for 3Q 2015 decreased marginally to 19.7% as compared to 20.1% for 3Q 2014 mainly due to higher manufacturing overhead costs as a percentage of the Group's revenue in view of lower volume despite reduction in raw material costs. Gross profit margins of Xinfei and BMU declined as compared to 3Q 2014.

Other income, net for 3Q 2015 decreased by \$10.9 million as compared to 3Q 2014 mainly due to higher foreign exchange losses and loss from the disposal of Guangxi Yuchai Machinery Company Limited's ("GYMCL") entire shareholding interest in Xiamen Yuchai Diesel Engines Co., Ltd ("Xiamen Factory") of \$3.0 million as well as the write-off of certain Xiamen Factory plant and equipment of \$1.0 million, which was partially offset by higher fair value gain on derivative transaction in 3Q 2015. In 3Q 2014, Yuchai also recorded a one-time waiver of trade payables of \$7.3 million.

Selling and distribution ("S&D") expenses for 3Q 2015 increased by \$6.5 million or 6.7% compared to 3Q 2014. This was mainly due to higher expenses incurred on selling-related expenses and marketing promotions by Xinfei.

Research and development (“R&D”) expenses for 3Q 2015 increased by \$1.1 million or 3.6% compared to 3Q 2014. This was due mainly to Yuchai’s development and testing costs as new engines were introduced to the market as well as continued initiatives to improve engine quality.

General and administrative (“G&A”) expenses for 3Q 2015 decreased by \$0.8 million or 1.7% compared to 3Q 2014.

Finance costs for 3Q 2015 decreased by \$6.6 million or 38.4% as compared to 3Q 2014 due mainly to lower bill discounting by Yuchai and Xinfai.

Share of results of associates and joint ventures, net of tax reported a loss of \$0.6 million in 3Q 2015 from a profit of \$1.3 million in 3Q 2014. This was mainly due to lower profit from associates of BMU with higher losses incurred by associates and joint ventures of Yuchai in 3Q 2015.

The lower income tax expense for 3Q 2015 compared to 3Q 2014 was due mainly to lower tax provision by Yuchai and BMU as a result of lower profit.

YTD 3Q 2015 versus YTD 3Q 2014

Revenue for the Group decreased from \$3.448 billion in YTD 3Q 2014 to \$3.183 billion in YTD 3Q 2015, a decrease of 7.7%. The decrease was mainly due to lower revenue from Yuchai and Xinfai. Loss attributable to the owners of the Company was \$11.4 million in YTD 3Q 2015 as compared to the net profit attributable to the owners of the Company of \$26.9 million in YTD 3Q 2014.

- Xinfai’s revenue declined by 11.6% as compared to YTD 3Q 2014 due to weaker home appliance market in China, the general slowdown in China’s economy and intensive competition. Xinfai’s unit sales decreased by 11.1% in YTD 3Q 2015 as compared to the same period in 2014.
- Yuchai’s revenue declined by 8.5% as compared to the same period last year. Units of engines sold in YTD 3Q 2015 declined by 22.1% as compared with YTD 3Q 2014. The decrease in unit sales was mainly due to the general weakness of the commercial vehicle market in China and the general slowdown in China’s economy. According to CAAM, commercial vehicle sales (excluding gasoline-powered vehicles) declined by 16.2% in YTD 3Q 2015 as compared to the same period in 2014. The market remained weak in the heavy-duty and medium-duty truck and medium-duty bus segments.
- BMU’s revenue decreased by 0.3% as compared to YTD 3Q 2015. The decrease was due to lower ready-mixed concrete sales but partially offset by higher sales from Precast division.
- Rex’s revenue declined by 7.1% as compared to YTD 3Q 2014 due mainly to keen competition and lower demand from existing customers.
- Revenue of Airwell increased by 7.0% as compared to YTD 3Q 2014.

The Group’s gross profit margin in YTD 3Q 2015 was 20.5% as compared to gross profit margin of 20.0% in YTD 3Q 2014. Overall raw material cost as a percentage of sales for the Group decreased by 1.5% as compared to the same period in 2014. There was an improvement in the gross profit margins of Yuchai. However, the gross profit margins of Xinfai and BMU declined.

Other income, net decreased by \$18.2 million as compared to YTD 3Q 2014 mainly due to loss from the disposal of GYMCL’s interest in Xiamen Factory of \$3.0 million as well as the write-off of certain Xiamen Factory plant and equipment of \$1.0 million and higher foreign exchange losses, which was partially offset by higher fair value gain on derivative transaction in YTD 3Q 2015. In YTD 3Q 2014, Yuchai also recorded a one-time waiver of trade payables of \$7.3 million.

S&D expenses in YTD 3Q 2015 increased by \$3.7 million, or 1.2% compared to YTD 3Q 2014. It was mainly due to higher selling-related expenses and advertising expenses incurred by Xinfei but partially offset by lower warranty expense and outward freight incurred by Yuchai.

R&D expenses in YTD 3Q 2015 increased by \$9.6 million or 11.5% over YTD 3Q 2014 due mainly to higher spending by Yuchai in the ongoing research and development of new and existing engine products as well as continued initiatives to improve engine quality.

G&A expenses in YTD 3Q 2015 increased by \$7.7 million or 6.0% over YTD 3Q 2014 due mainly to higher depreciation and staff cost incurred by Yuchai.

Finance costs in YTD 3Q 2015 decreased by \$11.7 million or 25.9% as compared to YTD 3Q 2014. This was due mainly to lower interest expense incurred on bill discounting by Xinfei and Yuchai.

Share of results of associates and joint ventures, net of tax reported a loss of \$2.2 million in YTD 3Q 2015 from a profit of \$0.5 million in YTD 3Q 2014. This was mainly due to lower profit from associates of BMU but partially offset by lower losses incurred by associates and joint ventures of Yuchai in YTD 3Q 2015.

Income tax expenses in YTD 3Q 2015 decreased by \$4.8 million or 10.6% as compared to YTD 3Q 2014. This was due to lower profit derived by Yuchai.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$781.9 million at the end of 3Q 2015 compared with \$796.8 million as at 31 December 2014.

During the quarter under review, the net cash outflow from operating activities was \$225.9 million. The Group generated cash from operating activities of \$64.9 million before working capital changes, which was used to finance the increase in trade and other receivables. This was partially offset by lower inventories holding at quarter-end.

The cash outflow from investing activities was related mainly to the purchase of property, plant and equipment amounting to \$47.8 million.

The Group had net cash inflow from financing activities of \$90.8 million for 3Q 2015 which was mainly due to proceeds from issuance of bonds of \$86.9 million and net borrowings of \$21.7 million, offset by dividend payment of \$8.0 million and interest payment of \$9.8 million.

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

The Group's performance for the period under review was in line with its expectation of its results for the third quarter and nine months ended 30 September 2015 as disclosed in the Company's profit guidance announcement on 30 September 2015.

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.

China achieved GDP growth of 6.9% in 3Q 2015 as compared to 7.0% for the first half of the year of 2015 and 7.4% for the full year of 2014. The International Monetary Fund maintains its previous projection of 6.8% GDP growth for China in year 2015. Singapore's economy grew by 1.4% in 3Q 2015, slower than the revised 2.0% growth achieved in 2Q 2015 and the 2.9% growth in year 2014. The Singapore economy is forecasted to grow between 2.0% to 2.5% for 2015.

China's economy continued to show slower growth in 3Q 2015. It continues to be dragged down by continued weakening of the industrial sector. China is struggling with overcapacity and high domestic debt level, a legacy of double-digit growth of the past decades. The slower growth has caused the Chinese government to ease its monetary policy by cutting interest rates by 0.25% to 4.35% effective from 24 Oct 2015. China's economy growth is projected to slow further in 2016.

According to CAAM, the commercial vehicle market (excluding gasoline-powered vehicles) in China continued to decline by 5.5% for 3Q 2015 and 16.2% for YTD 3Q 2015. The overall commercial vehicle market will continue to be adversely affected by the economic slowdown in China.

The white goods industry in China relating to consumer appliances remains challenging amidst issues on overcapacity, severe price reduction, intensified competition and lower consumer demand. These challenges will continue to impact Xinfei's performance for the remainder of the current year and the following year. The Group is undertaking a strategic review of Xinfei's business.

Airwell will continue to grow the export business with its existing key European customers and secure more new customers within Europe and other regions. For the China market, it has appointed more local dealers to expand its domestic sales. For project sales, Airwell will continue to engage directly with developers and design architects.

In Singapore, the construction industry expanded by 1.6% in 3Q 2015 against 2.0% in 2Q 2015 and 3.0% in year 2014. The slowdown was mainly due to weaker private sector construction activities. We expect that the construction industry in Singapore will not only drop in volume but also in selling price as a result of intense competition in the fourth quarter of 2015 and into the new year 2016. The outlook for the construction sector in Malaysia is expected to remain positive. The ongoing government MRT projects and LRT line extensions are expected to continue to drive the demand for cement and ready-mixed concrete in the fourth quarter of 2015 and this will benefit the construction sector within which the Group's subsidiary, Tasek Corporation Berhad, operates.

With more than 85% of the Group's revenue generated from China, the growth prospect of the Chinese economy would have critical influence on the Group. Amidst the current challenging business environment, the Group expects that the performance of its business units based in China will continue to be weak in the fourth quarter of 2015 and leading into year 2016. The Group will continue to monitor market conditions closely to mitigate adverse effects, and continue to exercise cost discipline in all business areas.

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 person transactions

Name of Interested Person	Aggregate value of all interested person transactions for 3Q 2015 conducted under IPT mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. and its associates - Purchase of raw materials from Interested Persons	\$581,912

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

13 November 2015

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 2015 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Beng
Chairman

Philip Ting Sii Tien @ Yao Sik Tien
Director and Chief Executive Officer

13 November 2015