

**Third Quarter And Nine-Month Financial Statement For The Period Ended
30 September 2007**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, 2Q & 3Q),
HALF-YEAR AND FULL YEAR RESULTS**

The Board of Directors announces the results of the Group for the third quarter ended 30 September 2007. These figures have not been audited.

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

1(a)(i) Income statement

	Group					
	3Q 2007	3Q 2006	Change	YTD 3Q 2007	YTD 3Q 2006	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	783,111	545,933	43%	2,507,673	1,903,625	32%
Cost of sales	(599,629)	(402,523)	49%	(1,922,692)	(1,453,038)	32%
Gross profit	183,482	143,410	28%	584,981	450,587	30%
Other income	3,635	4,819	-25%	12,580	15,406	-18%
Selling and distribution expenses	(63,140)	(57,924)	9%	(187,422)	(175,636)	7%
Administrative and other operating expenses	(55,610)	(41,718)	33%	(162,635)	(122,452)	33%
Research and development costs	(5,588)	(5,542)	1%	(23,830)	(25,609)	-7%
Profit from operations	62,779	43,045	46%	223,674	142,296	57%
Finance costs	(11,509)	(8,423)	37%	(26,479)	(24,511)	8%
Other non-operating income	3,792	17,832	-79%	8,933	37,739	-76%
Share of profit of associates	2,986	288	937%	12,713	1,541	725%
Profit before taxation	58,048	52,742	10%	218,841	157,065	39%
Taxation	(15,896)	(13,255)	20%	(45,890)	(29,840)	54%
Profit after taxation	42,152	39,487	7%	172,951	127,225	36%

Net Profit Attributable to :

Shareholders of the Company	25,264	12,632	100%	80,624	51,750	56%
Minority Interests	16,888	26,855	-37%	92,327	75,475	22%
	42,152	39,487	7%	172,951	127,225	36%

3Q : Three months ended 30 September

YTD 3Q : Nine months ended 30 September

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

Profit from operations include the following:	Group			Group		
	3Q 2007 \$'000	3Q 2006 \$'000	Change %	YTD 3Q 2007 \$'000	YTD 3Q 2006 \$'000	Change %
Gain/(loss) on disposal of investment, property, plant and equipment	(1,591)	135	NM	(721)	163	NM
Gain on disposal of assets held for sale	-	-	-	3,046	-	NM
Allowance written back/(made) for doubtful trade debts and bad debts written off	(3,304)	3,043	NM	(13,956)	936	NM
Allowance written back/(made) for stock obsolescence	639	(7,347)	NM	(7,325)	(14,062)	-48%
Depreciation and amortisation	(13,644)	(8,679)	57%	(38,019)	(27,136)	40%
Foreign exchange gain/(loss)	(1,898)	2,446	NM	(325)	1,283	NM

NM: Not meaningful

Other non-operating income include the following items :

	3Q 2007 \$'000	3Q 2006 \$'000	YTD 3Q 2007 \$'000	YTD 3Q 2006 \$'000
Gain on disposal of quoted equity investments	3,792	-	3,792	-
Negative goodwill arising from the acquisition of shares in an associate and a subsidiary	-	8,505	-	23,977
Gain on disposal/redemption of shares in subsidiaries and related businesses	-	9,327	5,141	13,762
Other non-operating income, before minority interests	3,792	17,832	8,933	37,739
Amount attributed to minority interests	-	15,449	4,645	29,668
Other non-operating income attributable to shareholders of the Company	3,792	2,383	4,288	8,071

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 2007 included a an underprovision of \$1,619,000 (3Q 2006: underprovision of \$57,000) in respect of prior years. The Group's tax charge for YTD 3Q 2007 included an underprovision of \$4,276,000 (YTD 3Q 2006: overprovision of \$48,000) in respect of prior years.

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

\$'000	Group		Company	
	30/09/07	31/12/06	30/09/07	31/12/06
Non-current assets				
Property, plant and equipment	782,413	734,110	3,830	4,382
Prepaid operating leases	49,580	50,132	-	-
Intangibles	67,658	66,465	-	-
Investment in subsidiaries	-	-	216,096	219,980
Investment in associates	249,906	217,852	53,826	55,226
Investment in jointly controlled entity	-	-	15,000	15,000
Investment properties	8,573	8,584	-	-
Other financial assets	3,228	2,847	182	137
Other non-current receivables	11,827	11,095	-	-
Amounts due from subsidiaries	-	-	59,594	60,150
Deferred tax assets	64,520	57,192	-	-
	1,237,705	1,148,277	348,528	354,875
Current assets				
Other financial assets	6,585	10,723	-	-
Inventories and work-in-progress	576,791	493,397	6,788	3,602
Development properties	23,721	23,622	-	-
Trade and other receivables	1,009,322	598,588	114,892	87,981
Cash and cash equivalents	262,827	269,701	6,389	5,259
Assets held for sale	-	18,968	-	-
	1,879,246	1,414,999	128,069	96,842
Current liabilities				
Bank overdrafts	1,335	570	-	-
Trade and other payables	1,200,418	846,182	36,148	22,688
Provisions	50,477	46,589	347	567
Interest-bearing borrowings	389,564	280,780	117,000	50,000
Provision for taxation	54,765	29,875	-	-
	1,696,559	1,203,996	153,495	73,255
Net current assets/(liabilities)	182,687	211,003	(25,426)	23,587
Non-current liabilities				
Interest-bearing borrowings	74,942	186,410	-	50,000
Amount due to a subsidiary	-	-	11,000	12,300
Deferred tax liabilities	2,057	2,210	457	457
Deferred grants	278	294	-	-
Retirement benefits	274	225	-	-
	77,551	189,139	11,457	62,757
	1,342,841	1,170,141	311,645	315,705
Capital and reserves				
Share capital	278,042	277,124	278,042	277,124
Reserves	308,595	231,735	33,603	38,581
	586,637	508,859	311,645	315,705
Minority interests	756,204	661,282	-	-
Total Equity	1,342,841	1,170,141	311,645	315,705

Explanatory Notes to Balance Sheets

- Compared to 31 December 2006, the increase in current assets and liabilities were mainly due to movements in working capital such as inventories, trade receivables and trade payables arising from the increase in business volume during the nine months ended 30 September 2007.
- The carrying amount of investment in associates increased due to higher share of profits and fair value reserves.
- During the quarter, the Group disposed off some of its other financial assets relating to investments in quoted equity shares.
- HLG Enterprise Limited ("HLGE") disposed its assets held for sale to a third party in 1H 2007.

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

Amount repayable in one year or less, or on demand

As at 30/09/2007		As at 31/12/2006	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$6,949,055	\$383,969,750	\$5,844,614	\$275,505,702

Amount repayable after one year

As at 30/09/2007		As at 31/12/2006	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
\$17,100,298	\$57,821,836	\$7,691,518	\$178,718,612

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 2007 of \$35,736,000 (2006: \$44,842,000).

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 2007 \$'000	3Q 2006 \$'000	YTD 3Q 2007 \$'000	YTD 3Q 2006 \$'000
Operating Activities				
Profit from Operations	62,779	43,045	223,674	142,388
Adjustment for :				
Dividend and interest income	(2,041)	(1,536)	(4,020)	(5,099)
Depreciation and amortisation	13,644	8,679	38,019	27,136
Loss/(Gain) on disposal of property, plant, equipment	1,591	(118)	881	(146)
(Gain) on disposal of assets held for sale	-	-	(3,046)	-
(Gain) on disposal of investments	-	(17)	(160)	(17)
Patents and trademarks written off	-	-	-	-
Accretion of deferred grant	-	(43)	(3)	(135)
Cost of share-based payment	94	56	281	166
Allowance for Impairment loss	-	-	5,253	-
Operating profit before working capital changes	76,067	50,066	260,879	164,293
Changes in working capital:				
Inventories and work-in-progress	(55,004)	(13,140)	(74,402)	26,807
Trade and other receivables	57,335	77,172	(388,598)	(182,514)
Trade and other payables	30,535	(35,412)	342,493	114,388
	108,933	78,686	140,372	122,974
Income tax paid	(12,419)	(2,658)	(24,891)	(13,309)
Cash flows from operating activities	96,514	76,028	115,481	109,665
Investing Activities				
Interest and dividends received	3,161	2,838	7,143	6,975
Proceeds from disposal of subsidiaries, net of cash disposed	-	4,486	2,189	19,950
Proceeds from disposal of investments	-	26	-	21,086
Proceeds from disposal of property, plant and equipment	4,384	536	6,753	15,603
Proceeds from disposal of assets held for sales	-	-	18,245	-
Acquisition of subsidiaries and businesses, net of cash acquired	(165)	40,598	(165)	40,598
Purchase of additional shareholding in a subsidiary	(224)	-	(224)	(86,211)
Investments in associates and joint ventures	-	-	-	(7,986)
Purchase of other investments	-	-	-	(178,302)
Purchase of property, plant and equipment	(33,060)	(22,671)	(88,586)	(75,455)
Balances with related parties	(6,669)	1,394	(3,911)	1,394
Cash flows from investing activities	(32,573)	27,207	(58,556)	(242,348)
Financing Activities				
Proceeds from share issue	58	-	917	221
Net increase / (decrease) in bank borrowings	16,696	(173,607)	(8,391)	75,786
Dividends paid to shareholders of the Company	(15,238)	(7,148)	(30,475)	(13,230)
Dividends paid to minority shareholders of subsidiaries	(2,713)	-	(3,380)	(28,708)
Interest paid	(9,184)	(8,744)	(26,832)	(23,742)
Cash flows from financing activities	(10,381)	(189,499)	(68,161)	10,327
Net increase/(decrease) in cash and cash equivalents	53,560	(86,265)	(11,236)	(122,356)
Cash and cash equivalents at beginning of the period	209,248	293,415	269,131	338,319
Effects of exchange rate changes on cash and cash equivalents	(1,316)	878	3,597	(7,935)
Cash and cash equivalents at end of the period	261,492	208,028	261,492	208,028

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

	3Q 2007 \$'000	3Q 2006 \$'000	YTD 3Q 2007 \$'000	YTD 3Q 2006 \$'000
Acquisitions				
Non-current assets	192	176,418	192	176,418
Net current assets	258	22,221	258	22,221
Non-current liabilities	-	(143,216)	-	(143,216)
Minority Interest	-	(39,278)	-	(39,278)
Amount previously accounted for as associate/investment	(136)	(16,394)	(136)	(16,394)
Goodwill	27	249	27	249
Consideration paid	341	-	341	-
Less: Cash & cash equivalents of subsidiary acquired	(176)	(40,598)	(176)	(40,598)
Acquisition of subsidiary, net of cash acquired	165	40,598	165	40,598
Disposals				
Non-current assets	-	15,329	-	19,087
Net current liabilities	-	(25,505)	(87)	(13,133)
Non-current liabilities	-	-	-	(204)
Minority Interest	-	-	-	(3,296)
Realisation of translation difference	-	-	(2,812)	-
Profit on disposal	-	9,327	5,141	14,288
Others	-	849	-	849
Total cash consideration	-	-	2,242	17,591
Less: Cash and bank balances of subsidiary disposed	-	4,486	(53)	2,359
Disposal of subsidiary, net of cash disposed	-	4,486	2,189	19,950

Explanatory Notes to the Group Cash Flow Statements

- In 3Q 2007, cashflows from operating activities were \$96.5 million compared to \$76.0 million in 3Q 2006 due to higher profits earned. For YTD 3Q 2007, cashflows from operating activities were \$115.5 million vs \$109.7 million in YTD 3Q 2006.
- In 3Q 2007 and YTD 3Q 2007, the Group incurred higher capital expenditures in property, plant and equipment for the expansion of production capacity at Xinfei.
- Interim dividends of \$15.2 million was paid to shareholders of the Company in 3Q 2007.

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	Share Premium \$'000	Capital Reserves \$'000	Statutory Reserves \$'000	Own Share Reserves \$'000	Fair Value Reserves \$'000	Equity Compensation Reserves \$'000	Translation Reserves \$'000	Revenue Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
The Group												
At 1 January 2006	75,983	200,807	(34,684)	14,609	(3,359)	8,962	374	(20,168)	190,456	432,980	637,113	1,070,093
Share issues during the period	208	13	-	-	-	-	-	-	-	221	-	221
Share of equity component of convertible bonds	-	-	657	-	-	-	-	-	-	657	-	657
Realisation of associated corporation's revaluation reserves to income statement	-	-	(504)	-	-	-	-	-	-	(504)	-	(504)
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	(16,602)	-	(16,602)	(24,353)	(40,955)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	(908)	(1,036)	-	-	-	(1,944)	(1,159)	(3,103)
Cost of share-based payment	-	-	-	-	-	-	163	-	-	163	64	227
Net gain/(loss) recognised directly in equity	-	-	(504)	-	(908)	(1,036)	163	(16,602)	-	(18,887)	(25,448)	(44,335)
Transfer to statutory reserves	-	-	-	231	-	-	-	-	(231)	-	-	-
Transfer to share capital	200,820	(200,820)	-	-	-	-	-	-	-	-	-	-
Purchase of additional shareholding in a subsidiary	-	-	-	-	-	-	-	-	-	-	(69,160)	(69,160)
Net profit for the period	-	-	-	-	-	-	-	-	39,118	39,118	48,621	87,739
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(6,082)	(6,082)	-	(6,082)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(28,707)	(28,707)
At 30 June 2006	277,011	-	(34,531)	14,840	(4,267)	7,926	537	(36,770)	223,261	448,007	562,419	1,010,426
At 1 July 2006	277,011	-	(34,531)	14,840	(4,267)	7,926	537	(36,770)	223,261	448,007	562,419	1,010,426
Share issues during the period	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	(473)	-	(473)	44	(429)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	635	2,645	-	-	-	3,280	(61)	3,219
Cost of share-based payment	-	-	-	-	-	-	66	-	-	66	3	69
Net gain/(loss) recognised directly in equity	-	-	-	-	635	2,645	66	(473)	-	2,873	(14)	2,859
Transfer to statutory reserves	-	-	-	105	-	-	-	-	(105)	-	-	-
Arising from changes in group structure	-	-	170	-	-	-	-	-	-	170	33,695	33,865
Net profit for the period	-	-	-	-	-	-	-	-	12,632	12,632	26,855	39,487
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(7,148)	(7,148)	-	(7,148)
At 30 September 2006	277,011	-	(34,361)	14,945	(3,632)	10,571	603	(37,243)	228,640	456,534	622,955	1,079,489
At 1 January 2007	277,124	-	(34,684)	16,944	(1,635)	45,308	629	(30,848)	236,021	508,859	661,282	1,170,141
Share issues during the period	860	-	-	-	-	-	-	-	-	860	-	860
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	10,491	-	10,491	14,317	24,808
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	16,161	8,932	-	-	-	25,093	227	25,319
Cost of share-based payment	-	-	-	-	-	-	190	-	-	190	9	199
Net gain/(loss) recognised directly in equity	-	-	-	-	16,161	8,932	190	10,491	-	35,773	14,553	50,326
Transfer from statutory reserves	-	-	-	(516)	-	-	-	-	516	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	55,361	55,361	75,438	130,799
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(15,237)	(15,237)	-	(15,237)
Dividends paid/payable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,086)	(5,086)
At 30 June 2007	277,984	-	(34,684)	16,428	14,526	54,240	819	(20,357)	276,661	585,617	746,187	1,331,804
At 1 July 2007	277,984	-	(34,684)	16,428	14,526	54,240	819	(20,357)	276,661	585,617	746,187	1,331,804
Share issues during the period	58	-	-	-	-	-	-	-	-	58	-	58
Exchange differences on translation of financial statements of foreign subsidiaries and associated corporations	-	-	-	-	-	-	-	(3,952)	-	(3,952)	(5,180)	(9,132)
Net fair value changes/adjustment, net of deferred taxes	-	-	-	-	181	(5,389)	-	-	-	(5,208)	(1,494)	(6,702)
Cost of share-based payment	-	-	-	-	-	-	96	-	-	96	6	102
Net gain/(loss) recognised directly in equity	-	-	-	-	181	(5,389)	96	(3,952)	-	(9,064)	(6,668)	(15,732)
Transfer from statutory reserves	-	-	-	52	-	-	-	-	(52)	-	-	-
Purchase of additional shareholding in a subsidiary	-	-	-	-	-	-	-	-	-	-	(203)	(203)
Net profit for the period	-	-	-	-	-	-	-	-	25,264	25,264	16,888	42,152
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(15,238)	(15,238)	-	(15,238)
At 30 September 2007	278,042	-	(34,684)	16,480	14,707	48,851	915	(24,309)	286,635	586,637	756,204	1,342,841

1(d)(i) Statement of changes in equity for the periods ended 30 September (cont'd)

Statement of Changes In Equity	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Fair Value Reserves \$'000	Equity Compensation Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
The Company							
At 1 January 2006	75,983	200,807	9,199	131	322	4,481	290,923
Share issues during the period	208	13	-	-	-	-	221
Net fair value changes	-	-	-	(52)	-	-	(52)
Cost of share-based payment	-	-	-	-	110	-	110
Transfer to share capital	200,820	(200,820)	-	-	-	-	-
Net profit for the period	-	-	-	-	-	3,364	3,364
Dividends	-	-	-	-	-	(6,082)	(6,082)
At 30 June 2006	277,011	-	9,199	79	432	1,763	288,484

At 1 July 2006	277,011	-	9,199	79	432	1,763	288,484
Share issues during the period	-	-	-	-	-	-	-
Net fair value changes	-	-	-	207	-	-	207
Cost of share-based payment	-	-	-	-	56	-	56
Net profit for the period	-	-	-	-	-	6,272	6,272
Dividends	-	-	-	-	-	(7,148)	(7,148)
At 30 September 2006	277,011	-	9,199	286	488	887	287,871

At 1 January 2007	277,124	-	9,199	118	478	28,786	315,705
Share issues during the period	860	-	-	-	-	-	860
Net fair value changes	-	-	-	(96)	-	-	(96)
Cost of share-based payment	-	-	-	-	187	-	187
Net profit for the period	-	-	-	-	-	4,781	4,781
Dividends	-	-	-	-	-	(15,237)	(15,237)
At 30 June 2007	277,984	-	9,199	22	665	18,330	306,200

At 1 July 2007	277,984	-	9,199	22	665	18,330	306,200
Share issues during the period	58	-	-	-	-	-	58
Net fair value changes	-	-	-	(944)	-	-	(944)
Cost of share-based payment	-	-	-	-	94	-	94
Net profit for the period	-	-	-	-	-	21,475	21,475
Dividends	-	-	-	-	-	(15,238)	(15,238)
At 30 September 2007	278,042	-	9,199	(922)	759	24,567	311,645

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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(ii)(A) Movements in issued and paid-up capital

	Number of Shares	Issued and Paid-Up Capital
Ordinary Shares		\$'000
Balance as at 1 July 2007	380,928,418	277,984
Shares issued for cash upon the exercise of options under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme")	39,600	58
Balance as at 30 September 2007	380,968,018	278,042

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

During the period, the following options were exercised pursuant to the terms of the Scheme:

Year of Grant	Exercise Price Per Share	3Q 2007	Cumulative To Date
2001	\$0.41	-	6,067,000
2002	\$1.00	-	1,153,800
2003	\$1.79	-	-
2004	\$1.51	33,000	441,600
2005	\$1.28	6,600	146,300
2007	\$1.88	-	-
Total		39,600	7,808,700

As at 30 September 2007, there were a total of 1,756,000 (30 September 2006 : 1,499,900) unissued shares under options granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2001	\$0.41	40,000
2002	\$1.00	-
2003	\$1.79	-
2004	\$1.51	367,400
2005	\$1.28	128,600
2007	\$1.88	1,220,000
Total		1,756,000

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2006.

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.

With effect from 1 January 2007, the Group adopted the following FRS which are relevant to their operations:

- FRS1 - Amendment to FRS 1 (revised) Presentation of financial statements (Capital Disclosures)
- FRS 40 - Investment Property
- FRS 107 - Financial Instruments: Disclosures

The effects of adoption of the above FRS did not result in substantial changes to the Group's accounting policies and did not give rise to any material adjustments to the opening balances of revenue reserve or changes to comparatives.

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 2007	3Q 2006	YTD 3Q 2007	YTD 3Q 2006
Earnings per ordinary share for the year based on net profit attributable to shareholders				
Including other non-operating income				
(i) Based on the weighted average number of ordinary shares on issue (cts)	6.63	3.32	21.17	13.61
(ii) On a fully diluted basis (cts)	6.62	3.32	21.13	13.61

	Group			
	3Q 2007	3Q 2006	YTD 3Q 2007	YTD 3Q 2006
Earnings per ordinary share for the year based on net profit attributable to shareholders				
Excluding other non-operating income				
(i) Based on the weighted average number of ordinary shares on issue (cts)	5.64	2.70	18.82	11.49
(ii) On a fully diluted basis (cts)	5.63	2.69	18.79	11.48

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Net Asset Value per ordinary share based on the total number of issued shares in the capital of the Company at the end of the financial year (cts)	153.99	133.27	81.80	83.01

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

3rd Quarter (3Q) 2007

Hong Leong Asia Group achieved net profit attributable to shareholders of \$25.3 million as compared to \$12.6 million in 3Q 2006. The increased earnings were due mainly to improved profit contribution from the Building Materials Unit ("BMU").

The Group's revenue of \$783.1 million reflects a 43% increase over the corresponding quarter in 2006 of \$545.9 million. This increase arose mainly from higher unit sales from the China operations and improved selling prices and sales volume in BMU.

The Group achieved gross margin of 23.4% in 3Q 2007 which was lower than 3Q 2006 of 26.3% due to increase in raw material costs and keen competition. However, BMU's gross margin has improved significantly.

Selling and distribution expenses were higher in 3Q 2007 as compared to corresponding quarter in 2006 due to higher advertising and promotion expenses in the China operations.

Administrative and other operating expenses increased in 3Q 2007 as compared to 3Q 2006 mainly due to higher staff costs, travelling expenses, legal and professional expenses and other general expenses.

Finance costs had increased to \$11.5 million in 3Q 2007 versus \$8.4 million in 3Q 2006 due to higher utilization of bank loans and higher interest rates.

Other non-operating income in 3Q 2007 was \$3.8 million versus \$17.8 million in 3Q 2006 (for more information, please refer to Page 2 of this announcement).

Share of profit of associates increased to \$3.0 million in 3Q 2007 as compared to 3Q 2006, mainly due to the Group's associated company, Tasek Corporation Berhad ("Tasek"), which contributed \$3.1 million in 3Q 2007 versus \$1.0 million in 3Q 2006. Improved selling prices of cement and higher sales volume by Tasek contributed to the improved profit performance.

Taxation expense had increased in 3Q 2007 as compared to 3Q 2006 mainly due to higher taxable income in the Group's China operations.

With improved profit contributions from granite trading and ready-mixed concrete divisions, BMU achieved higher profits in 3Q 2007 compared to the corresponding quarter in 2006. The continuing strong growth in Singapore construction sector contributed to the higher business volume in BMU.

There has been no shipment from the Group's quarry – PT Karimun Granite because of the on-going negotiations with Karimun government (Bulpati) on the new royalty rate. In the meantime, BMU has been able to secure alternative supplies of building material products from neighbouring countries (Malaysia and Vietnam) for its business requirements.

The Group's overall performance improved by 7% to a profit after taxation of \$42.2 million as compared to the same period last year of \$39.5 million.

For purpose of comparison, excluding non-operating income, the adjusted net profit attributable to the Group for 3Q 2007 would be \$21.5 million as compared to the adjusted net profit attributable of \$10.3 million in 3Q 2006. This represents approximately 109% increase in net earnings compared to last year.

Year-to-date September 2007 (YTD-3Q 2007)

The Group's revenue of \$2,507.7 million was 32% higher than that achieved in the same period last year of \$1,903.6 million. The Group's net profit attributable to shareholders was \$80.6 million compared to \$51.8 million in YTD-3Q 2006. This increase of 56% was largely due to improved net earning contributions from the Group's China operations and BMU.

The increase in business activities resulted in higher selling and distribution expenses as well as administrative and other operating expenses as compared to YTD-3Q 2006.

Xinfei's overall sales of 2,601,615 units in YTD-3Q 2007 was 11% higher than YTD-3Q 2006. Domestic sales of refrigerators increased significantly by 26% over the same period of last year.

GPac Technology (S) Pte Ltd ("GPac") sold about 178,000 units in YTD-3Q 2007 versus 118,000 units in YTD-3Q 2006. GPac has not achieved economies of scale and is still loss-making.

The increase of new construction projects in Singapore will benefit the Group's BMU, especially the ready-mixed concrete division and granite division.

Share of profit of associates increased to \$12.7 million in YTD-3Q 2007 as compared to YTD-3Q 2006, mainly due to the Group's share of profit from Tasek of \$11.2 million versus \$3.4 million in YTD-3Q 2006. Included in the results of YTD-3Q 2007 was \$3.8 million, being the Group's share of gain by Tasek upon disposal of its investment in Jurong Cement Limited.

There has been no export of building material products from PT Karimun Granite until the new royalty rate is agreed upon. However, the Group has been able to secure alternative supplies of building material products from neighbouring countries (Malaysia and Vietnam) for its business requirements.

For purpose of comparison, excluding non-operating income, the adjusted net profit attributable to the Group in YTD-3Q 2007 would be \$76.3 million as compared to the adjusted net profit attributable of \$43.7 million in YTD-3Q 2006. This would represent approximately 75% increase in net earnings compared to last year.

Business segment data has not been included in this announcement. Following a change by a subsidiary, China Yuchai International Limited ("CYI") which is listed on the New York Stock Exchange, to appoint the same auditors as its parent, CYI is still in the process of reviewing with its auditors, the accounting of certain transactions under U.S. Generally Accepted Accounting Principles and has decided it would not be meaningful to release any quarterly interim information to its shareholders until the completion of such review.

The Group has been advised that such review does not affect the accounting treatment of these transactions under the Singapore Financial Reporting Standards adopted by the Group. The Group has received information from CYI for the purposes of this announcement upon an undertaking by the Company not to use the information in a way that would allow disclosure of detailed information relating to CYI, pending completion of such review.

As a result, the Company will only release business segment data upon the release by CYI of its interim financial information for the quarter.

With reference to the Company's announcements on the potential accounting errors at Guangxi Yuchai Machinery Company Limited, a subsidiary of CYI, released on 3 August and 23 August 2007, depending on the results of the independent inquiry, the relevant accounting entries may have to be reversed, which will result in a decrease in the Group's share of CYI's profits of \$4.6 million for 2005 and/or 2006, thus necessitating an adjustment, if any, to be made in the Group's financial statements.

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

None

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Barring any unforeseen circumstances, the Group believes that the overall outlook for the rest of 2007 remains positive.

China's economy grew by an estimated 11.5% in the third quarter of 2007. The Chinese government has stated that they will continue to keep a tight grip on policy to curb inflation and capital investments. With respect to the Group's China operations, they are expected to increase their unit sales volume and market share due to the growth of China's economy. However, the Group's China operations will continue to be affected by rising raw material costs and keen competition.

The Singapore construction industry remains positive and this will have a positive effect on our Group's BMU.

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/recommendeded for the current financial period under review.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to 1Q, 2Q, 3Q or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable

15. A breakdown of sales.

Not Applicable

16. Interested persons transactions

No interested person transactions were conducted under Shareholders' Mandate for the quarter ended 30 September 2007.

BY ORDER OF THE BOARD

Ng Siew Ping, Jaslin
Company Secretary
14 November 2007

Confirmation Pursuant to Rule 705(4) of the Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited quarterly financial results of the Group for the quarter ended 30 September 2007 to be false or misleading in any material respect. As highlighted under Section 8 on page 12 of the said unaudited quarterly financial results of the Group, arising from the potential accounting errors at Guangxi Yuchai Machinery Company Limited, the Group's share of China Yuchai International Limited's share of profits may be reduced by \$4.6 million for 2005 and/or 2006, which may necessitate an adjustment, if any, to be made in the Group's financial statements.

On behalf of the Board

Kwek Leng Beng
Chairman

Teo Tong Kooi
Director & CEO

14 November 2007