

2000

ANNUAL REPORT



LOH & LOH CORPORATION BERHAD

389765-V

Incorporated in Malaysia under the Companies Act, 1965



contents

NOTICE OF ANNUAL GENERAL MEETING	2
AUDIT COMMITTEE	3
FINANCIAL HIGHLIGHTS	5
CORPORATE INFORMATION	6
CORPORATE STRUCTURE	7
BOARD OF DIRECTORS	8
BOARD OF DIRECTORS' PROFILE	9
CERTIFICATION & AWARDS	10
CHAIRMAN'S STATEMENT	11
FINANCIAL STATEMENTS	17
SHAREHOLDINGS STATISTICS	47
LIST OF ALL PROPERTIES HELD	50

PROXY FORM

notice of annual GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at the Banquet Hall of Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 31 May 2001 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

AS ORDINARY BUSINESS

- To receive and adopt the Audited Accounts of the Company for the year ended 31 December 2000 together with the Directors' and Auditors' reports therein. *Ordinary Resolution 1*
- To approve the payment of a final dividend of 6 sen per share less 28% income tax for the year ended 31 December 2000. *Ordinary Resolution 2*
- To approve the Directors' fees for the year ended 31 December 2000. *Ordinary Resolution 3*
- To re-elect Encik Abdul Rashid bin Abdul Manaff who retires pursuant to Article 118 of the Company's Articles of Association and being eligible, he offers himself for re-election. *Ordinary Resolution 4*
- To re-elect Mr O Wai Tiong who retires pursuant to Article 118 of the Company's Articles of Association and being eligible, he offers himself for re-election. *Ordinary Resolution 5*
- To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. *Ordinary Resolution 6*

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:-

- "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company." *Ordinary Resolution 7*
- To transact any other business for which due notice shall have been given.

Note 1

A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on a show of hands or on a poll in his stead. A proxy need not be a member of the Company.

In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or signed by its attorney or under the hand of some officer of the corporation duly authorised in that behalf.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.

The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Level 13, Menara Milenium, 8 Jalan Damania, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Note 2

Resolution pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 7, if passed, would enable the Directors to issue up to a maximum of 10% of the issued and paid up share capital of the Company as at the date of this Annual General Meeting for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders, the final dividend of 6 sen per share less 28% income tax for the year ended 31 December 2000 will be paid on 28 June 2001 to shareholders whose names appear in the Records of Depositors at the close of business at 5.00 p.m. on 13 June 2001.

A depositor shall qualify for entitlement only in respect of:-

- shares transferred to the depositor's securities account before 12.30 p.m. on 13 June 2001 in respect of ordinary transfers;
- shares bought on Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order Of The Board

GWEE OOI TENG
(MAICSA 0794701)
Company Secretary

Kuala Lumpur
9 May 2001

Statement Accompanying Notice of the Fifth Annual General Meeting

A total of 6 meetings of the Board of Directors were held during the financial year ended 31 December 2000. All board meetings were held at 19 Jalan Sri Hartamas 7, Taman Sri Hartamas, 50480 Kuala Lumpur. The date and time of the board meetings and the details of attendance of directors are as follows:-

Date and Time	Attendance
• 28 February 2000 at 11.10 a.m.	Full attendance by all Directors
• 25 April 2000 at 10.30 a.m.	Full attendance by all Directors
• 12 May 2000 at 11.00 a.m.	Full attendance by all Directors
• 29 May 2000 at 11.10 a.m.	Full attendance by all Directors
• 30 August 2000 at 11.15 a.m.	Full attendance by all Directors
• 28 November 2000 at 11.20 a.m.	Full attendance by all Directors

The Directors to retire pursuant to Article 118 of the Company's Articles of Association are Encik Abdul Rashid bin Abdul Manaff and Mr O Wai Tiong. The details of the Directors standing for re-election as Directors and their interest in the shares of the Company are respectively set out in the Annual Report under profile of the members of the Board and the statement on Directors' interest in the share capital of the Company as at 9 April 2001.

audit COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee shall be appointed by the Directors from among their number via a Directors' resolution and shall be composed of not fewer than three (3) members of whom a majority shall be independent directors who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an independent director is one who:-

- i) is not an executive director of the Company or any related corporation;
- ii) has not been within the last two years and is not an officer (except as an independent director) of the Company or any related corporation. For this purpose, "officer" shall have the meaning given in section 4 of the Companies Act, 1965;
- iii) is not a major shareholder of the Company or any related corporation;
- iv) is not a relative of any executive director, officer or major shareholder of the Company or any related corporation. For this purpose, "relative" means the spouse, parent, brother, sister, child (including adopted or step child) and the spouse of such brother, sister or child;
- v) is not acting as a nominee or representative of any executive director or major shareholder of the Company or any related corporation;
- vi) is not engaged as a professional adviser by the Company or any related corporation either personally or through a firm or company of which he is a partner, director or major shareholder, as the case may be; or
- vii) has not within the last two years and does not engage in any transaction with the Company or any related corporation, whether by himself or with other persons or through a firm or company of which he is a partner, director or major shareholder, as the case may be, the value of which exceeds RM250,000

At least one member of the audit committee:-

- (i) must be a member of the Malaysian Institute of Accountants; or

- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

- (a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an independent director. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Director of the Company.

Where the members of the Audit Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee of the Company comprise the following:-

Danny Ng Siew L'Leong* - *Chairman*

Lee Hon Keong** - *Member*

O Wai Tiong* - *Member*

* *Independent Non-Executive Director*

** *Non-Independent Director*

Secretary of the Audit Committee

Gwee Ooi Teng

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objectives of the Audit Committee

It is the objectives of the Audit Committee to assure the Shareholders of the Company that the Directors of the Company have complied with specified financial standards and required disclosure policies developed and administered by the KLSE.

audit committee (CONT'D)

In addition, the Audit Committee is also determined to ensure consistency with the KLSE's commitment to encourage high standards of corporate disclosure. The Audit Committee will endeavour to adopt certain practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to all the Company's Shareholders.

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee include the following and report on the same to the Board of Directors:-

- i) Oversee all matters relating to external audit including the review of the audit plan and audit report and review of external auditors' management letter and management's responses.
- ii) Oversee the internal audit department including the evaluation of the standards of internal control and financial reporting, review of internal audit programme, adequacy of the scope, functions, authority, and resources of the internal audit department and audit findings and management's responses.
- iii) Review of the quarterly results and year end financial statements, focussing particularly on:-
 - any changes in accounting policies and practices;
 - significant adjustments arising from audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements
- iv) Review of the assistance and co-operation given by the Company's officers to the external and internal auditors.
- v) Review any related party transactions that may arise within the Company or the Group.
- vi) Nominate the external auditors for appointment, review any letter of resignation from external auditors and proposal for reappointment of external auditors.

- vii) Consider any other matters as may be agreed to by the Audit Committee and the Board of Directors.

Powers of the Audit Committee

In carrying out their duties and responsibilities, the Audit Committee will in principle have full, free and unrestricted access to all the Company's records, property and personnel and has explicit authority to investigate any matter within its terms of reference.

MEETINGS

The Audit Committee will meet at least four (4) times a year although such additional meetings may be called at any time at the discretion of the Chairman.

The quorum for meetings of Audit Committee shall be 3 members and the majority of the members present shall be independent directors.

The internal and/or external auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required by the Committee. Upon the request of the auditor(s), the Chairman of the Audit Committee shall also convene a meeting of the Committee to consider any matters the auditor(s) believes should be brought to the attention of the Board of Directors or the Shareholders.

The Audit Committee may in consultation with the Board of Directors obtain expert external advice on specific issues.

A total of five Audit Committee Meetings were held during the financial year ended 31 December 2000. There was full attendance by the Audit Committee members at all the five meetings.

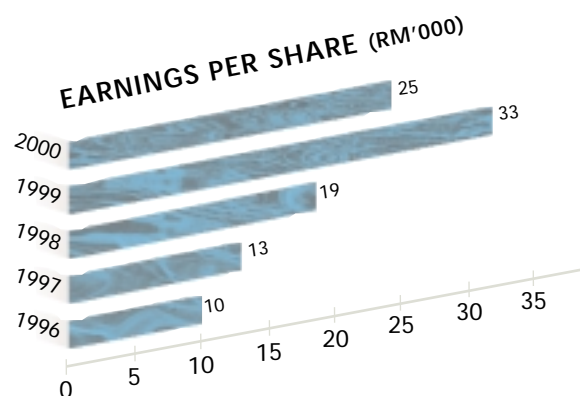
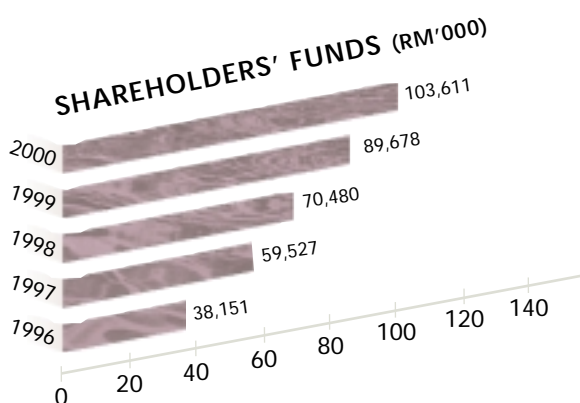
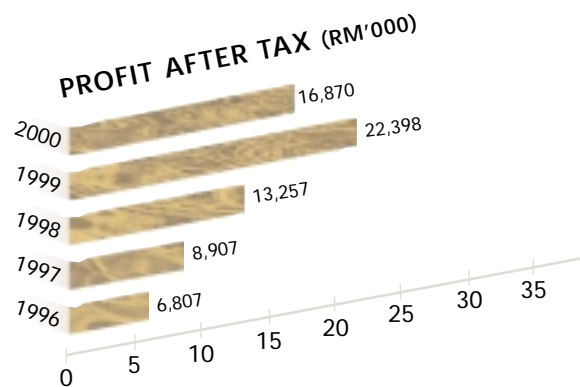
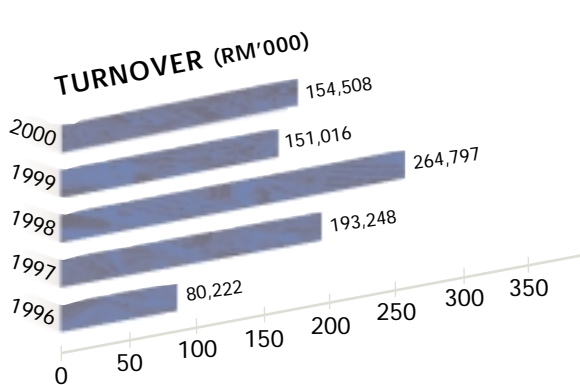
Internal Audit Function

An internal audit division has been established in 1999. The internal audit team currently comprise an Audit manager and an Audit Executive.

financial HIGHLIGHTS

	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000	1996 RM'000
Turnover	154,508	151,016	264,797	193,248	80,222
Profit after tax before extraordinary items	16,870	22,398	13,257	8,907	6,807
Group earnings per share (sen) * - restated	25	33	19	13	10
Shareholders' funds	103,611	89,678	70,480	59,527	38,151
Paid-up share capital	68,000	32,000	32,000	32,000	32,000
Net tangible asset per share (sen)	152	280	220	186	119
Dividend per share (sen)	6	10	10	6	-

* Group EPS is computed based on profit after taxation and minority interest divided by the weighted average number of shares which has been adjusted to take into account the issuance of bonus shares in the financial years ended 31 December 2000.



corporate INFORMATION

BOARD OF DIRECTORS

ABDUL RASHID BIN ABDUL MANAFF[^]
Chairman

LOH KIM TAI^{**}
Vice Chairman

LOH KIM KAH^{**}
Managing Director

LEE HON KEONG^{**}

DANNY NG SIEW L'LEONG^{*}

HOOI KAH HUNG[^]

O WAI TIONG^{*}

^{**} *Non-Independent Director*

^{*} *Independent Non-Executive Director*

[^] *Non-Independent Non-Executive Director*



AUDIT COMMITTEE

Danny Ng Siew L'Leong^{*}
Chairman

Lee Hon Keong^{**}

O Wai Tiong^{*}

^{*} *Independent Non-Executive Director*

^{**} *Non-Independent Director*

COMPANY SECRETARY

Gwee Ooi Teng
(MAICSA 0794701)

AUDITORS

PricewaterhouseCoopers

SOLICITOR

Rashid & Lee

PRINCIPAL BANKERS

EON Bank Berhad
RHB Bank Berhad
RHB Sakura Merchant
Bankers Berhad

REGISTERED OFFICE

Level 13 Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2710 5555
Fax: 03-2710 3108
Email Address:
rlmsdg@po.jaring.my

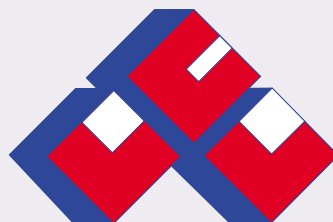
SHARE REGISTRAR

Panama Resources Sdn Bhd
No.23 Jalan Sri Hartamas 7
Sri Hartamas
50480 Kuala Lumpur
Tel: 03-6201 1120
Fax: 03-6201 3121
Email Address:
panamasb@tm.net.my

STOCK EXCHANGE LISTING

Main Board of
Kuala Lumpur Stock Exchange

corporate STRUCTURE



Loh & Loh Corporation Berhad
389765-V

100%

Loh & Loh Development Sdn Bhd
137982-U

100%

Loh & Loh Constructions Sdn Bhd
17145-K

90%

Turf Tech Sdn Bhd
225445-K

80%

Jutakim Sdn Bhd
161360-K

70%

Loh & Loh Ikhmas Sdn Bhd
447004-D

68%

Quality Quarry Sdn Bhd 328205-U
(Formerly known as
Loh & Loh Ablemerge Jv Sdn Bhd)

51%

Loh & Loh Sato Kogyo Jv Sdn Bhd
190397-H

board of
DIRECTORS



Seated from left

Loh Kim Kah – *Managing Director*, Lee Hon Keong, Abdul Rashid bin Abdul Manaff – *Chairman*,
Loh Kim Tai – *Vice Chairman*

Standing from left

O Wai Tiong, Danny Ng Siew L'Leong, Hooi Kah Hung

board of DIRECTORS' PROFILE

ABDUL RASHID BIN ABDUL MANAFF

– (Chairman) Non-Independent
Non-Executive Director

He is the Chairman of the Company, aged 55. He was appointed to the Board of Directors of the Company on 9 January, 1997. He is currently a Senior Partner of a legal firm in Kuala Lumpur. He is a Barrister-at-Law of the Middle Temple, London and was called to the English Bar in 1971. He was also called to the Malaysian Bar in 1977. He was a magistrate from 1971 to 1973 and was later made the President of the Sessions Court. From 1975 to 1977, he was the Federal Counsel for the Income Tax Department before starting his own practice, which to date he is still a senior partner. Other than a practising lawyer, he is a director of a few other public listed companies, namely S.P. Setia Bhd and Pohmay Holdings Berhad and several private limited companies.

LOH KIM TAI

– (Vice Chairman)
Non-Independent Director

He is the Vice Chairman of the Company, aged 54. He was appointed to the Board of Directors of the Company on 9 January 1997. During his 32 years of service with the Group, he has assumed the position of Assistant Project Director and Project Director. He also holds directorships in several private limited companies.

LOH KIM KAH

– (Managing Director)
Non-Independent Director

He is the Managing Director of the Company, aged 42. He was appointed to the Board of Directors of the

Company on 9 January 1997. He obtained his Bachelor of Economics (Honours) degree in Accounting and Business Finance from University of Manchester in 1985 and also holds a Diploma in Business Studies. He has been with the Group for 15 years. He also holds directorships in several other private limited companies.

LEE HON KEONG

– Non-Independent Director

Mr Lee Hon Keong, aged 58, was appointed to the Board of Directors of the Company on 9 January 1997. He is also a member of the Audit Committee of the Company. He is currently the General Manager of the construction division of Loh & Loh Constructions Sdn Bhd (LLCSB). In his 33 years with LLCSB, he was actively involved in various projects, amongst others, as Site Agent, Project Manager, Project Co-ordinator and Project Director. He also holds directorship in a private limited company.

DANNY NG SIEW L'LEONG

– Independent & Non-Executive
Director

Mr Danny Ng, aged 43, was appointed to the Board of Directors of the Company on 9 January 1997. He is currently the Chairman of the Audit Committee of the Company. He graduated with a Bachelor degree in Agribusiness (Honours) with a major in Financial Management from University Pertanian Malaysia in 1982. He was with United Malayan Banking Corporation Berhad as a Credit Analyst for the central region from 1982 to 1986 and subsequently, the Accounts Manager of the Corporate Banking Department from 1986 to

1990. He was then appointed the Unit Head of the Northern Region of the Corporate Banking Department from 1990 to 1991, and Head of Credit and Marketing for its Corporate Banking Department from 1991 to 1994. He is a director of a few public listed companies namely Pohmay Holdings Berhad and New Hoong Fatt Holdings Berhad and holds directorships in several private limited companies.

HOOI KAH HUNG

– Non-Independent Non-Executive
Director

Mr Hooi Kah Hung, aged 69, was appointed to the Board of Directors of the Company on 21 September 1998. He graduated with a Bachelor in Civil Engineering (Hons), Australia. He is currently a Technical Advisor of LLCSB. In his 47 years of working experience, he is actively involved in project design and management on matters relating to planning, design and implementation of many major water and water related projects in the region. He also holds directorship in a private limited company.

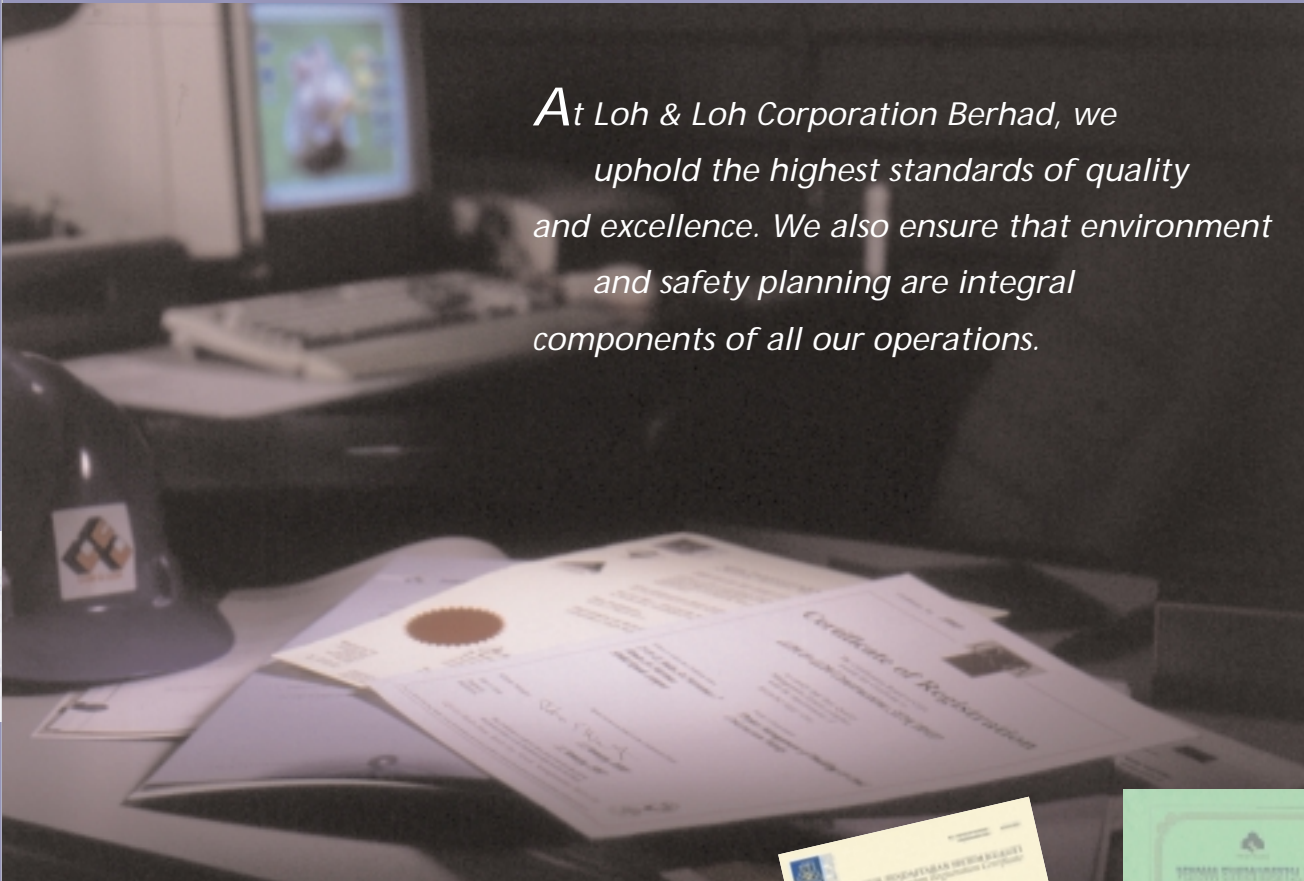
O WAI TIONG

– Independent Non-Executive Director

Mr O Wai Tiong, aged 30, was appointed to the Board of Directors of the Company on 21 September 1998. He is currently a member of the Audit Committee of the Company. He graduated with a Bachelor of Science degree in Business Administration (USA) with a major in Finance. He is currently a Senior Executive of a private limited company.

certification & **AWARDS**

At Loh & Loh Corporation Berhad, we uphold the highest standards of quality and excellence. We also ensure that environment and safety planning are integral components of all our operations.





ABDUL RASHID BIN ABDUL MANAFF
Chairman

chairman's STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Accounts of Loh & Loh Corporation Berhad and its group of companies ("LLCB Group") for the financial year ended 31 December 2000.



chairman's statement (CONT'D)



Financial Performance

As it was in the previous year, the year 2000 proved to be another challenging year for the LLCB Group. Although the overall performance of the economy is recovering from the effects and repercussions of the economic slowdown in 1997, the construction sector still faces a daunting task due to slower implementation and fewer number of construction contracts.

Even though the year under review was a difficult year for the construction sector, LLCB Group managed to perform well under the circumstances with a profit before taxation of RM23.683 million compared to RM21.682 million in 1999. The profit before taxation for financial year 2000 was achieved on a marginal increase in turnover from RM151.016 million in 1999 to RM154.508 in 2000, mainly attributed to prudent management and effective cost control policies

coupled with innovative construction ideas and methods.

The net earning per share of LLCB Group for the financial year is 25 sen compared to 70 sen in 1999. The net tangible assets backings per share decreased to RM1.52 from RM2.80. The decrease was mainly due to the increase in the paid-up share capital via bonus issue which was completed during the year.

Dividend

In view of the commendable performance achieved by LLCB Group, the Board of Directors has recommended a final dividend of 6 sen per ordinary share less taxation of 28% for the year ended 31 December 2000 as compared to the tax-exempt dividend of 10 sen per ordinary share for the year ended 31 December 1999.



Business Review

Civil engineering and construction continue to be the core activities that contributed to the results for the financial year ended 31 December 2000.

Some of the major construction projects undertaken by the LLCB Group during the year under review were the construction of a main dam under Phase 1B at Putrajaya Federal Government Administration Centre ("PFGAC"); proposed construction of bulk earthworks and preliminary drainage for Putrajaya Development (Package EW400A); proposed design, strengthening and replacement of railway bridge between Kuala Kangsar and Sungai Siput; and proposed construction and completion of civil and structural works and design, engineering, procurement, construction, installation, testing and commissioning of mechanical and electrical works and associated works for Rasa

Water Treatment Works (Packages 2 and 4) for the Sungai Selangor Water Supply Scheme Phase 3.

Despite the intense competition, LLCB Group managed to secure several new contracts. Among the new contracts secured were the construction of bulk earthworks and preliminary drainage (Package EW300); the proposed construction and completion of Putrajaya Core Island (Package EW200A), both at PFGAC.

Corporate Developments

Bonus Issue and Transfer Listing to the Main Board of Kuala Lumpur Stock Exchange ("KLSE")

On 9 October 2000, the Company completed a Bonus Issue of 36,000,000 new ordinary shares of RM1.00 each.

chairman's statement (CONT'D)

Pursuant to the Bonus Issue, the issued and paid-up share capital of the Company was increased from RM32,000,000 to RM68,000,000.

On 17 October 2000, the listing and quotation of the entire enlarged issued and paid-up share capital of the Company of 68,000,000 was transferred to the Main Board of KLSE.

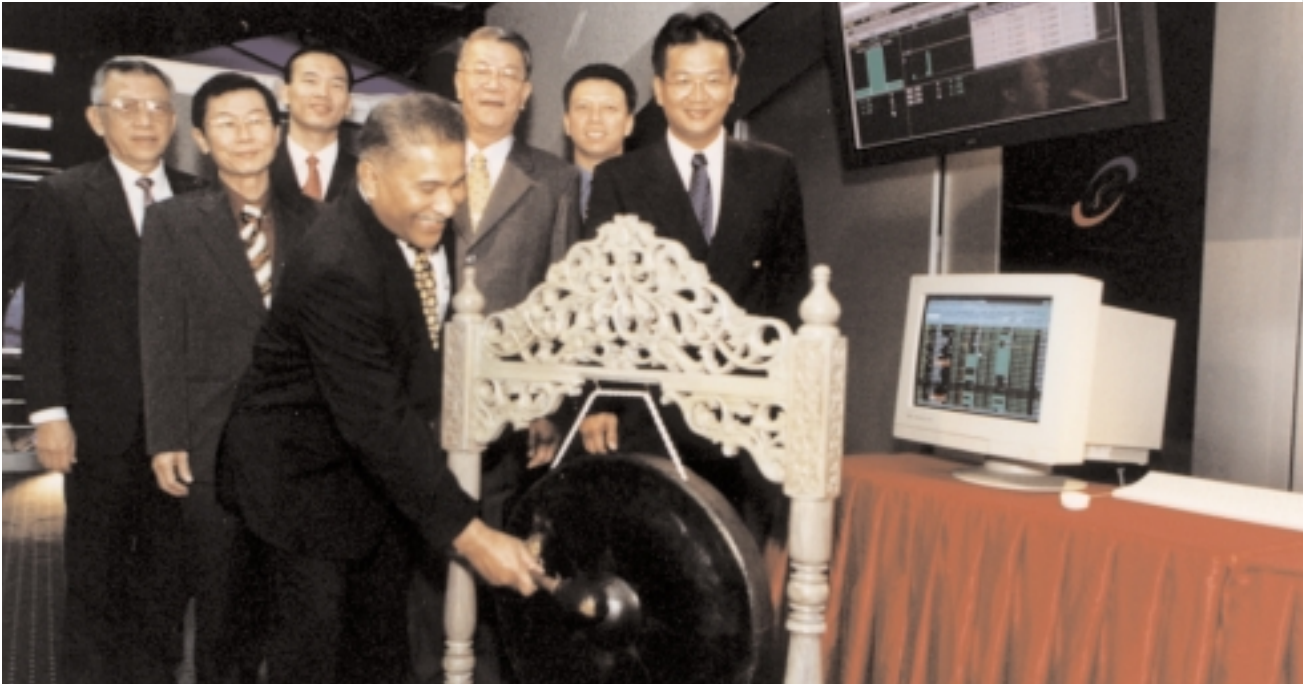
The promotion to the Main Board in slightly more than three years after its admission to the Second Board in March 1997 is indeed an achievement considering the economic slowdown faced by the country over the period. The promotion will further

enhance the LLCB Group status, capabilities and strengths.

Quality Quarry Sdn Bhd

On 13 October 2000, the Company's wholly owned subsidiary, Loh & Loh Constructions Sdn Bhd subscribed for an additional 67,949 ordinary shares of RM1.00 each in its existing subsidiary, Loh & Loh Ablemerge JV Sdn Bhd ("LLA") resulting in an increase from 51% to 68% of its equity interest in LLA. LLA had changed its name to Quality Quarry Sdn Bhd to better reflect its quarry related operation.





Bipes Fluid Engineering Sdn Bhd ("Bipes")

On 16 March 2001, LLCB announced its proposed acquisition of 100% equity interest in Bipes Fluid Engineering Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each for a total consideration of RM14,100,000.00.

The proposed acquisition is expected to provide synergies to current operations of LLCB Group as Bipes is primarily involved in the mechanical and electrical engineering focusing on the water and water related sector. Bipes also undertakes operational and maintenance contracts in addition to sales of agency equipment. It will also expand LLCB's range of services and enable the LLCB Group to provide better and more comprehensive service to its clients.

Prospects

The construction sector is expected to pick up more strongly in the coming years as works on new projects gather momentum and as more government related projects are approved for implementation. In anticipation of higher demand and quality treated water, the Government has accorded priority to improving the country's water supply and sewerage system. This will involve the building of more dams, reservoirs, water treatment plants, and the laying and replacement of underground pipes.

Under such scenario, the Board of Directors is confident that the LLCB Group will stand to benefit from the implementation of these projects and will be able to continue to improve and excel on its strength and competitiveness. The Board of Directors also

chairman's statement (CONT'D)



intends to explore and develop new businesses, enhance existing business operations with strategic business partners to achieve greater economic gains and higher returns for the shareholders of LLCB.

Barring any unforeseen circumstances, the LLCB Group is optimistic to perform satisfactorily for the year 2001.

Appreciation

I would like to take this opportunity to express my appreciation to my fellow Directors, the management team and staff for their loyal and dedicated services and to our valued customers, business associates,

shareholders, bankers and relevant authorities for their continued support and confidence in us.

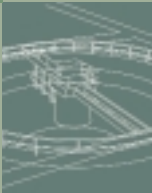
ABDUL RASHID BIN ABDUL MANAFF

Chairman

9 May 2001



financial statements



DIRECTORS' REPORT	18
INCOME STATEMENT	22
BALANCE SHEETS	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	24
COMPANY STATEMENT OF CHANGES IN EQUITY	25
CASH FLOW STATEMENTS	26
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	29
NOTES TO THE FINANCIAL STATEMENTS	32
STATEMENT BY DIRECTORS	45
STATUTORY DECLARATION	45
REPORT OF THE AUDITORS	46

directors' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and civil construction. The principal activities of the subsidiary companies are disclosed in Note 10 to the financial statements. There has been no significant change in the principal activities of the Company or its subsidiary companies during the year other than in a subsidiary company, Quality Quarry Sdn Bhd, from civil engineering to quarry operations.

FINANCIAL RESULTS

	<i>Group RM</i>	<i>Company RM</i>
Profit after taxation	16,969,306	3,111,732
Minority interests	(98,814)	-
Net profit attributable to shareholders	<u>16,870,492</u>	<u>3,111,732</u>

DIVIDENDS

The dividends paid by the Company since 31 December 1999 are as follows:

	<i>RM</i>
In respect of the year ended 31 December 1999, as shown in the Directors' report of that year, final tax-exempt dividend of 10 sen per share on 32,000,000 ordinary shares, paid on 21 June 2000	<u>3,200,000</u>

The Directors now recommend the payment of a final gross dividend of 6 sen per share on 68,000,000 ordinary shares, less income tax, amounting to RM2,937,600.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year other than as disclosed in the financial statements.

ISSUES OF SHARES

During the year, the following issue of shares was made by the Company:

<i>Class</i>	<i>Number</i>	<i>Terms of issue</i>	<i>Purpose of issue</i>
Ordinary shares of RM1 each	36,000,000	Bonus issue	Capitalisation of retained profits and share premium reserve

DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Abdul Rashid bin Abdul Manaff
Loh Kim Tai
Loh Kim Kah
Lee Hon Keong
Danny Ng Siew L'Leong
Hooi Kah Hung
O Wai Tiong

In accordance with Article 118 of the Company's Articles of Association, Abdul Rashid bin Abdul Manaff and O Wai Tiong retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than benefits disclosed in Note 3 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the year in shares in the Company were as follows:

	<i>Number of ordinary shares of RM1 each</i>				<i>At 31.12.2000</i>
	<i>At 1.1.2000</i>	<i>Bought</i>	<i>Bonus issue</i>	<i>Sold</i>	
Direct interest					
Abdul Rashid bin Abdul Manaff	2,552,000	-	2,871,000	-	5,423,000
Lee Hon Keong	45,000	-	50,625	-	95,625
	<i>Number of ordinary shares of RM1 each</i>				
	<i>At 1.1.2000</i>	<i>Bought</i>	<i>Bonus issue</i>	<i>Sold</i>	<i>At 31.12.2000</i>
Indirect interest					
Abdul Rashid bin Abdul Manaff	759,409	-	854,335	-	1,613,744
Loh Kim Tai	14,106,850	122,000	15,914,081	-	30,142,931

By virtue of their interests in the Company, Abdul Rashid bin Abdul Manaff and Loh Kim Tai are deemed to be interested in the shares of the subsidiary companies to the extent the Company has an interest.

The interest of a Director in shares in a subsidiary company, Jutakim Sdn. Bhd. is as follows:

	<i>Number of ordinary shares of RM1 each</i>			
	<i>At 1.1.2000</i>	<i>Bought</i>	<i>Sold</i>	<i>At 31.12.2000</i>
Direct interest				
Lee Hon Keong	40,000	-	-	40,000

No other Director in office at the end of the year held any interest in shares or debentures in the Company or its related corporations.

NUMBER OF EMPLOYEES

The number of employees as at year end of the Group and Company is 235 (1999: 204) and NIL (1999: NIL) respectively.

SIGNIFICANT EVENTS

During the financial year,

- the Company capitalised a sum of RM28,754,810 from its retained earnings account and another RM7,245,190 from its share premium reserve for a bonus issue of 36,000,000 new ordinary shares of RM1.00 each credited as fully paid-up by the Company on the basis of nine (9) new ordinary shares for every eight (8) existing ordinary shares held in the Company.
- the shares of the Company were admitted to the Official Quotation of the Main Board of the Kuala Lumpur Stock Exchange.
- the Company's wholly owned subsidiary, Loh & Loh Constructions Sdn Bhd (L & L), subscribed for an additional 67,949 new ordinary shares of RM1.00 each in its existing subsidiary, Loh & Loh Ablemerge JV Sdn Bhd ("LLA") ("Subscription") at par in cash. Pursuant to the subscription, the shareholdings of L & L in LLA increased from 51 ordinary shares of RM1.00 each to 68,000 ordinary shares of RM1.00 each representing an increase its equity interest in LLA from 51% to 68%. LLA has changed its name to Quality Quarry Sdn Bhd, to better reflect its intended quarry related operations.

SUBSEQUENT EVENTS

Subsequent to year end, the Company announced to the Kuala Lumpur Stock Exchange the proposed acquisition of the entire share capital in Bipes Fluid Engineering Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM14,100,000.

The above proposal is subject to conditions precedent being fulfilled and approvals from relevant authorities being obtained.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statement and balance sheets of the Group and the Company were made out, the Directors took reasonable steps:

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the year which secures the liability of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

- (a) the results of the Group and the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group and the Company for the year in which this report is made.

AUDITORS

Our auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 16 April 2001.

ABDUL RASHID BIN ABDUL MANAFF
DIRECTOR

LOH KIM TAI
DIRECTOR

Kuala Lumpur
16 April 2001

income STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2000

	<i>Note</i>	<i>Group</i> <i>2000</i> <i>RM</i>	<i>Group</i> <i>1999</i> <i>RM</i>	<i>Company</i> <i>2000</i> <i>RM</i>	<i>Company</i> <i>1999</i> <i>RM</i>
Revenue	2	154,507,934	151,015,794	38,700,870	85,198,174
Cost of sales		(123,589,369)	(123,831,947)	(29,580,875)	(80,441,275)
Gross profit		30,918,565	27,183,847	9,119,995	4,756,899
Other operating income		591,444	481,680	-	-
Administrative expenses		(7,805,386)	(7,628,601)	(3,575,043)	(1,254,518)
Profit from operations	3	23,704,623	20,036,926	5,544,952	3,502,381
Finance cost	4	(107,858)	(208,252)	-	-
Profit from operating activities		23,596,765	19,828,674	5,544,952	3,502,381
Share of results of an associated company		86,130	1,853,183	-	-
Profit from ordinary activities before taxation		23,682,895	21,681,857	5,544,952	3,502,381
Taxation	5	(6,713,589)	718,266	(2,433,220)	(26,228)
Profit from ordinary activities after taxation		16,969,306	22,400,123	3,111,732	3,476,153
Minority interest		(98,814)	(1,794)	-	-
Net profit attributable to shareholders		16,870,492	22,398,329	3,111,732	3,476,153
Earnings per share (sen) - basic	6	25	33		

The accounting policies on pages 29 to 31 and the notes on pages 32 to 44 form an integral part of these financial statements.

balance
SHEETS
 AS AT 31 DECEMBER 2000

	<i>Note</i>	<i>Group</i> 2000 RM	1999 RM	<i>Company</i> 2000 RM	1999 RM
PROPERTY, PLANT AND EQUIPMENT	7	28,448,174	24,297,488	-	-
REAL PROPERTY ASSETS	8	10,021,470	11,402,290	-	-
OTHER LONG TERM INVESTMENTS	9	15,179,237	13,256,072	14,884,712	12,961,547
SUBSIDIARY COMPANIES	10	-	-	75,293,829	25,393,519
ASSOCIATED COMPANIES	11	1,698,322	3,112,177	-	-
CURRENT ASSETS					
Trade and other receivables	12	73,171,858	57,707,560	10,371,027	19,116,632
Short term investments	14	8,427,525	15,175,382	8,427,525	15,175,382
Deposits, bank balances and cash	15	57,654,825	35,691,461	44,295,357	28,206,764
		139,254,208	108,574,403	63,093,909	62,498,778
CURRENT LIABILITIES					
Trade and other payables	16	81,192,186	61,625,886	60,097,717	57,875,833
Provision for taxation		3,494,140	1,002,221	384,680	-
Proposed dividends		2,937,600	3,200,000	2,937,600	3,200,000
		87,623,926	65,828,107	63,419,997	61,075,833
NET CURRENT ASSETS/(LIABILITIES)		51,630,282	42,746,296	(326,088)	1,422,945
LESS: NON CURRENT LIABILITIES					
HIRE PURCHASE CREDITORS	17	57,086	122,500	-	-
DEFERRED TAXATION	18	2,777,790	4,612,871	-	-
		2,834,876	4,735,371	-	-
		104,142,609	90,078,952	89,852,453	39,778,011
FINANCED BY:					
SHARE CAPITAL	19	68,000,000	32,000,000	68,000,000	32,000,000
RESERVES		35,611,214	57,678,322	21,852,453	7,778,011
SHAREHOLDERS' FUNDS		103,611,214	89,678,322	89,852,453	39,778,011
MINORITY INTERESTS		531,395	400,630	-	-
		104,142,609	90,078,952	89,852,453	39,778,011

The accounting policies on pages 29 to 31 and the notes on pages 32 to 44 form an integral part of these financial statements.

consolidated statement of
CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2000

	<i>Issued and fully paid ordinary shares of RM1 each</i>		<i>.....Non-distributable</i>			<i>Distributable</i>	<i>Total</i>
	<i>Number of shares</i>	<i>Nominal value RM</i>	<i>Share premium RM</i>	<i>Merger deficit RM</i>	<i>Revaluation reserve RM</i>	<i>Retained earnings/ (accumulated losses) RM</i>	
At 1 January 1999	32,000,000	32,000,000	7,245,190	(13,158,519)	5,253,445	39,139,877	70,479,993
Net profit for the financial year	-	-	-	-	-	22,398,329	22,398,329
Dividend for the financial year	-	-	-	-	-	(3,200,000)	(3,200,000)
At 31 December 1999	32,000,000	32,000,000	7,245,190	(13,158,519)	5,253,445	58,338,206	89,678,322
Revaluation surplus realised on disposal transferred to retained earnings	-	-	-	-	(629,539)	629,539	-
Capitalisation for bonus issue	36,000,000	36,000,000	(7,245,190)	-	-	(28,754,810)	-
Net profit for the financial year	-	-	-	-	-	16,870,492	16,870,492
Dividend for the financial year	-	-	-	-	-	(2,937,600)	(2,937,600)
At 31 December 2000	68,000,000	68,000,000	-	(13,158,519)	4,623,906	44,145,827	103,611,214

The accounting policies on pages 29 to 31 and the notes on pages 32 to 44 form an integral part of these financial statements.

company statement of
CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2000

	<i>Issued and fully paid ordinary shares of RM1 each</i>		<i>Non-distributable</i>		<i>Distributable</i>	<i>Total</i>
	<i>Number of shares</i>	<i>Nominal value RM</i>	<i>Share premium RM</i>	<i>Revaluation reserve RM</i>	<i>Retained earnings/ losses RM</i>	
At 1 January 1999	32,000,000	32,000,000	7,245,190	-	256,668	39,501,858
Net profit for the financial year	-	-	-	-	3,476,153	3,476,153
Dividends for the financial year	-	-	-	-	(3,200,000)	(3,200,000)
At 31 December 1999	32,000,000	32,000,000	7,245,190	-	532,821	39,778,011
Net profit for the financial year	-	-	-	-	3,111,732	3,111,732
Surplus on revaluation of subsidiaries	-	-	-	49,900,310	-	49,900,310
Capitalisation for bonus issue	36,000,000	36,000,000	(7,245,190)	(28,754,810)	-	-
Dividends for the financial year	-	-	-	-	(2,937,600)	(2,937,600)
At 31 December 2000	68,000,000	68,000,000	-	21,145,500	706,953	89,852,453

The accounting policies on pages 29 to 31 and the notes on pages 32 to 44 form an integral part of these financial statements.

cash flow

STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit attributable to shareholders		16,870,492	22,398,329	3,111,732	3,476,153
Adjustments for:					
Accretion of discount net of amortisation of premium on purchase of unquoted bonds		(332,901)	(149,838)	(332,901)	(149,838)
Amortisation of reserve on acquisition of an associated company		(1,374)	(1,374)	-	-
Dividend income from investment in quoted shares		(49,521)	(15,384)	(49,521)	(15,384)
Provision for property, plant and equipment written down		-	1,777,214	-	-
Interest expenses		107,858	208,252	-	-
Interest income		(2,140,620)	(1,320,386)	(1,785,052)	(1,315,966)
Share of profit in an associated company		(86,130)	(1,853,183)	-	-
Depreciation of property, plant and equipment		498,970	1,282,712	-	-
Gain on disposal of property, plant and equipment		(146,066)	(110,458)	-	-
Loss/(gain) on disposal of real property asset		168,492	(695,034)	-	-
Gain on disposal of investment in quoted shares		(214,905)	(174,106)	(214,905)	(174,106)
Property, plant and equipment written off		-	75,841	-	-
Provision for diminution in value of investment					
- quoted shares		2,475,675	828,631	2,475,675	828,631
- unquoted shares		-	45,475	-	-
Provision for diminution in value of other investment		125,164	-	125,164	-
Unrealised loss/(gain) on foreign exchange		647	5,071	-	-
Provision for doubtful debts		-	3,303,790	-	-
Taxation		6,713,589	(718,266)	2,433,220	26,228
Minority interest		98,814	1,794	-	-
		24,088,184	24,889,080	5,763,412	2,675,718

cash flow statements (CONT'D)

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
Changes in construction contracts		687,037	4,764,969	-	-
Decrease/(increase) in receivables		(7,197,549)	30,907,346	5,618,225	14,515,394
(Decrease)/increase in payables		11,817,655	(16,277,210)	21,025	187,985
Changes in balance with an associated company		1,071,820	(88,755)	-	-
Changes in intercompany balances		-	-	3,379,855	14,740,874
Proceeds from disposal of real property asset		950,560	3,684,125	-	-
Increase in land related expenses		(51,670)	(3,031)	-	-
Net cash generated from operations		31,366,037	47,876,524	14,782,517	32,119,971
Income taxes paid		(6,027,731)	(7,238,039)	(225,320)	(304,153)
Net cash inflow from operating activities		25,338,306	40,638,485	14,557,197	31,815,818
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from minority interest on issue of additional shares by subsidiary		31,951	-	-	-
Proceeds from disposal of property, plant and equipment		415,726	740,702	-	-
Proceeds from disposal of quoted investment		8,956,290	1,959,055	8,956,290	1,959,055
Proceeds from short term investments		-	15,419,447	-	15,419,447
Dividend from associated company		1,470,000	-	-	-
Proceeds from bonds redemption		12,000,000	-	12,000,000	-
Purchase of property, plant and equipment		(5,151,166)	(3,663,595)	-	-
Investment in quoted shares		(10,367,167)	(5,974,513)	(10,367,167)	(5,974,513)
Short term investment		(7,692,300)	-	(7,692,300)	-
Interest income received		1,932,925	1,300,397	1,785,052	1,315,966
Dividend received		49,521	11,076	49,521	15,384
Investment in unquoted bonds		-	(24,496,857)	-	(24,496,857)
Net cash outflow from investing activities		1,645,780	(14,704,288)	4,731,396	(11,761,518)

cash flow statements (CONT'D)

	<i>Note</i>	<i>Group</i> <i>2000</i> <i>RM</i>	<i>1999</i> <i>RM</i>	<i>Company</i> <i>2000</i> <i>RM</i>	<i>1999</i> <i>RM</i>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of hire purchase creditors		(1,712,864)	(1,288,382)	-	-
Interest expense paid		(107,858)	(208,252)	-	-
Dividends paid		(3,200,000)	(2,304,000)	(3,200,000)	(2,304,000)
Net cash outflow from financing activities		(5,020,722)	(3,800,634)	(3,200,000)	(2,304,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,963,364	22,133,563	16,088,593	17,750,300
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		35,691,461	13,557,898	28,206,764	10,456,464
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	57,654,825	35,691,461	44,295,357	28,206,764

The accounting policies on pages 29 to 31 and the notes on pages 32 to 44 form an integral part of these financial statements.

summary of significant ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company are prepared under the historical cost convention, as modified by the revaluation of real property assets and certain property, plant and equipment, in accordance with the applicable approved accounting standards in Malaysia and comply with the provisions of Companies Act, 1965.

B BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the year. Acquisitions of subsidiary companies which meet the criteria for merger accounting under Malaysian Accounting Standard 2, Accounting for Acquisitions ("MAS 2") are accounted for under that method. If the criteria of MAS 2 are not met, then the acquisitions are accounted for under the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous years.

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal respectively.

Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition. Goodwill is amortised over a period of 5 years.

The acquisition of Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd. which meet the criteria for merger accounting under MAS 2 are accounted for under that method.

In accordance with the merger relief provisions of Section 60(4) of the Companies Act, 1965, Loh & Loh Corporation Berhad has recorded its investment in Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd. at the nominal value of the ordinary shares issued as consideration. On consolidation, the excess of the carrying value of the investment over the nominal value of the shares acquired has been taken to merger reserve.

C INVESTMENTS

Investments in subsidiary companies, associated companies and other long term investments are stated at cost unless, in the opinion of the Directors there has been permanent diminution in value, in which case a provision or write down is made. Short term investments are stated at the lower of cost and market value. Any write down of carrying value is charged to the income statement. Investment in unquoted bonds is stated at cost net of amortisation of premiums or accretion of discount over the period between acquisition and maturity of the bonds.

D ASSOCIATED COMPANIES

The Group considers an associated company as a company in which a long term equity interest of between 20% and 50% is held and it has participation in the management through representation on the board of Directors. Goodwill and reserve arising from acquisition of associated companies are amortised over a period of 5 years. As at the end of the year, the Group has equity accounted for its share of the results of its associated companies.

E REVENUE RECOGNITION ON LONG TERM CONSTRUCTION CONTRACTS

Revenue from long term construction contracts is recognised on the percentage of completion method.

summary of significant accounting policies (CONT'D)

F PROFIT RECOGNITION ON CONSTRUCTION CONTRACTS

Profit is recognised on the percentage of completion method. Foreseeable losses on contracts are provided for in full.

No profit is recognised on a contract if the contract is in its initial stage or has not reached a stage of completion where it is possible to assess the financial outcome of the contract with reasonable accuracy.

G CONSTRUCTION CONTRACTS

Construction contracts are stated at cost plus attributable profits, less provision for foreseeable losses and progress payments. Cost comprises all costs relating directly to the contracts and include administrative expenses specifically attributable to the contracts.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under trade and other receivables. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under trade and other payables.

H PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Freehold land is stated at cost or Directors' valuation based on independent professional valuers' reports, with no depreciation charge. The carrying amount of property, plant and equipment will be written down if the Directors are of the opinion that the recoverable amount of the property, plant and equipment is lower than the carrying amount. The amount written down is charged to the income statement.

Buildings are amortised over 40 years.

Depreciation of other property, plant and equipment is provided on the reducing balance basis to write off the cost of the assets over their estimated useful lives at the following annual rates:

Plant and machinery	10% - 20%
Office equipment, furniture and fittings	7.5% - 33.3%
Motor vehicles	20%

The Directors have applied the transitional provisions of International Accounting Standard No. 16 (Revised) Property, Plant and Equipment as adopted by the Malaysian Accounting Standards Board which allows land and buildings to be stated at the last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

I HIRE PURCHASE

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and depreciated in accordance with the policy set out in H above. The corresponding outstanding obligations due under hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance charges are allocated to the income statement over the periods of the respective hire purchase agreements.

J DEFERRED TAXATION

Deferred taxation is provided on the liability method in respect of material timing differences between profits as computed for taxation purposes and profits as stated in the financial statements except where it is thought reasonably certain that the tax effects of such deferrals will continue in the foreseeable future.

Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation.

K FOREIGN CURRENCY

Transactions arising in foreign currencies have been converted into Ringgit Malaysia at rates of exchange approximating those ruling on transaction dates except for transactions uncompleted at the year end, which have been translated at rates of exchange approximating those ruling at that date. All exchange differences are taken up in the income statement.

The principal closing rate used in translation of foreign currency amounts is as follows:

	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
1 Singapore Dollar	2.2200	2.3100

L REAL PROPERTY ASSETS

Real property assets are stated at Directors' valuation based on independent professional valuers' reports, except for those assets acquired in the intervening period between revaluations which are stated at cost, until the next revaluation exercise. Any surplus or deficit arising from a valuation will be dealt with in the revaluation reserve account. A deficit is set-off against the revaluation reserve account only to the extent of a surplus credited from any previous revaluation of the real property assets and the excess of the deficit is charged to the income statement.

Real property assets stated at Directors' valuation will be revalued every five years and those stated at cost will be valued in the immediate next revaluation exercise.

Revaluation surplus relating to an asset disposed off during the year is transferred from revaluation reserves to retained profits.

M CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

N RECEIVABLES

Provision for doubtful debt is made for debts which the Directors consider are doubtful of recovery.

O COMPARATIVES

The comparatives figures were adjusted or extended to comply with the additional disclosure requirements of the 13 new MASB standards i.e. MASB 1 to MASB 13 that are applicable for the year ended 31 December 2000.

The comparative for earnings per share has been restated to account for the bonus issue during the financial year ended 31 December 2000.

notes to the FINANCIAL STATEMENTS

- 31 DECEMBER 2000

1 GENERAL INFORMATION

The principal activities of the Company consist of investment holding and civil construction. The principal activities of the subsidiary companies are disclosed in Note 10 to the financial statements. There has been no significant change in the principal activities of the Company or its subsidiary companies during the year other than in a subsidiary company, Quality Quarry Sdn Bhd, from civil engineering to quarry operations.

The Company is a public limited company, domiciled and incorporated in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office of the Company is as follows:

Level 13, Menara Millennium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur

The address of the principle place of business of the Company is as follows:

19 & 21, Jalan Sri Hartamas 7
Taman Sri Hartamas
50480 Kuala Lumpur

2 REVENUE

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Construction contracts	141,945,189	144,030,969	20,839,490	78,652,019
Sale of investments	8,956,290	1,959,055	8,956,290	1,959,055
Sale of properties	1,212,865	3,690,000	-	-
Interest income	1,785,052	1,320,386	1,785,052	1,315,966
Dividends (gross)				
- unquoted investment in subsidiaries	-	-	6,511,500	3,255,750
- other investment, quoted in Malaysia	49,521	15,384	49,521	15,384
Accretion of discount on purchase of unquoted bonds	559,017	-	559,017	-
	154,507,934	151,015,794	38,700,870	85,198,174

3 PROFIT FROM OPERATIONS

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Profit from operations arrived at after charging/(crediting):				
Provision for diminution in value of investment				
- quoted shares	2,475,675	828,631	2,475,675	828,631
- unquoted shares	-	45,475	-	-
Provision for diminution in value of other investment	125,164	-	125,164	-
Rental on hiring of plant and machinery	-	17,870	-	-
Rental of site premises	18,000	18,000	-	-
Provision for doubtful debts	-	3,303,790	-	-
Unrealised loss on foreign exchange	647	5,071	-	-
Auditors' remuneration				
- current	47,250	45,500	8,000	8,000
- under provision in previous year	2,000	-	-	-
Amortisation of unquoted bonds	226,116	-	226,116	-
Staff cost	2,263,671	1,922,721	474,000	456,000
Property, plant and equipment				
- depreciation	498,970	1,282,712	-	-
- written off	-	75,841	-	-
- written down	-	1,777,214	-	-
- gain on disposal	(146,066)	(110,458)	-	-
Amortisation of reserve on acquisition of an associated company	(1,374)	(1,374)	-	-
Loss/(gain) on disposal of real property asset	168,492	(695,034)	-	-
Income from rental of office premises	(81,600)	(81,600)	-	-
Interest income	(355,568)	-	-	-

Contract cost of the Group recognised as an expense during the year amounted to RM114,847,984 (1999: RM123,831,947).

The estimated monetary value of benefits provided to Directors of the Company during the year by way of usage of the Group's assets, provision of accommodation and other similar benefits amounted to RM67,100 (1999: RM42,550).

Fees paid for professional services to firms of which a Director of the Company is a member of the Group and the Company amounted to RM39,760 (1999: RM16,520) and Nil (1999: RM14,600) respectively.

Fees paid for advisory services rendered by a Director of the Company to the Group amounted to RM240,000 (1999: RM240,000).

notes to the financial statements (CONT'D)

3 PROFIT FROM OPERATIONS (CONT'D)

Included in the staff cost above are:

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Directors' remuneration paid to:				
Directors of the Company:				
- fees	474,000	456,000	474,000	456,000
Directors of a subsidiary company:				
- fees	24,000	14,000	-	-
- other emoluments	763,840	736,960	-	-

4 FINANCE COST

Interest expenses				
- hire purchase	107,858	208,252	-	-

5 TAXATION

In Malaysia				
Income taxation - current				
- Company and subsidiary companies	8,517,310	-	2,433,220	-
- Associated company	31,360	(9,092)	-	-
Income taxation - prior years	-	(693,174)	-	26,228
Deferred taxation (Note 18)	(1,835,081)	(16,000)	-	-
	6,713,589	(718,266)	2,433,220	26,228

6 EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group earnings of RM16,870,492 (1999: RM22,398,329) by the weighted average number of shares of the Company in issue during the year.

The comparative for earnings per share has been restated accordingly.

7 PROPERTY, PLANT AND EQUIPMENT

<i>Group</i>	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Office equipment, furniture and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
2000					
COST/VALUATION					
At 1.1.2000					
- Cost	3,117,490	29,244,875	2,193,002	7,041,061	41,596,428
- Valuation	3,820,000	-	-	-	3,820,000
Additions	951,132	5,321,446	168,212	676,506	7,117,296
Disposals	-	(777,890)	(10,655)	(292,997)	(1,081,542)
At 31.12.2000	7,888,622	33,788,431	2,350,559	7,424,570	51,452,182

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	<i>Freehold land and buildings</i> <i>RM</i>	<i>Plant and machinery</i> <i>RM</i>	<i>Office equipment, furniture and fittings</i> <i>RM</i>	<i>Motor vehicles</i> <i>RM</i>	<i>Total</i> <i>RM</i>
2000					
ACCUMULATED DEPRECIATION					
At 1.1.2000	103,000	17,072,705	869,650	3,073,585	21,118,940
Charge for the year	25,750	1,725,853	135,146	810,203	2,696,952
Released on disposals	-	(611,595)	(1,954)	(198,335)	(811,884)
At 31.12.2000	128,750	18,186,963	1,002,842	3,685,453	23,004,008
NET BOOK VALUE					
At 31.12.2000	7,759,872	15,601,468	1,347,717	3,739,117	28,448,174
1999					
COST/VALUATION					
At 1.1.1999					
- Cost	-	30,077,294	2,204,871	7,152,054	39,434,219
- Valuation	3,820,000	-	-	-	3,820,000
Additions	3,117,490	780	53,556	981,769	4,153,595
Disposals	-	(833,199)	(65,425)	(1,092,762)	(1,991,386)
At 31.12.1999	6,937,490	29,244,875	2,193,002	7,041,061	45,416,428
ACCUMULATED DEPRECIATION					
At 1.1.1999	77,250	13,476,923	761,156	2,736,251	17,051,580
Charge for the year	25,750	2,510,994	149,158	889,545	3,575,447
Released on disposals	-	(692,426)	(40,664)	(552,211)	(1,285,301)
Provision for write down	-	1,777,214	-	-	1,777,214
At 31.12.1999	103,000	17,072,705	869,650	3,073,585	21,118,940
NET BOOK VALUE					
At 31.12.1999	6,834,490	12,172,170	1,323,352	3,967,476	24,297,488

The depreciation charges relating to the Group's property, plant and equipment used at construction sites were capitalised in contract work-in-progress forming part of construction contracts (Note 13) and amounted to RM2,197,982 (1999: RM2,292,735).

The Group's land and buildings as at 1 January 2000 were revalued in 1996 by independent professional valuers using the open market value basis. The book values of the properties were adjusted to the revaluations and the resultant surplus was credited to revaluation reserves in the consolidated statement of changes in equity.

notes to the financial statements (CONT'D)

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the Group's plant and machinery and motor vehicles are property, plant and equipment acquired under hire purchase agreements with net book value amounting to RM915,953 (1999: RM1,670,594).

Included in the Group's additions to property, plant and equipment are assets purchased under hire purchase agreements with costs amounting to RM314,522 (1999: RM490,000).

Had the property, plant and equipment been carried at historical cost less accumulated depreciation, the carrying amount of each class of property, plant and equipment that would have been included in the financial statements at the end of the year would be as follows:

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Freehold land and buildings	6,091,470	5,161,177
Plant and machinery	15,601,468	12,172,170
Office equipment, furniture and fittings	1,347,717	1,323,352
Motor vehicles	3,739,117	3,967,476
	26,779,772	22,624,175

In determining the recoverable amount of property, plant and equipment, expected future cash flows have not been discounted to their present values.

8 REAL PROPERTY ASSETS

Freehold land - at valuation	8,518,642	9,900,000
Land related expenses	1,502,828	1,502,290
	10,021,470	11,402,290

The value of real property assets of the Group based on open market values, as valued in 1996 by an independent professional valuer, amounted to RM11,245,000. The Directors, however, incorporated a valuation of RM9,900,000 into the financial statements, as approved by the Securities Commission.

During the financial year, the Group disposed off certain parcels of the freehold land under compulsory acquisition for a total consideration of RM1,212,865.

9 OTHER LONG TERM INVESTMENTS

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Investment in unquoted shares				
At cost	340,000	340,000	-	-
Provision for diminution in value	(45,475)	(45,475)	-	-
	294,525	294,525	-	-
Investment in unquoted bonds				
At cost	15,127,583	12,955,583	15,127,583	12,955,583
(Amortisation)/accretion of discount net of amortisation of premium	(242,871)	5,964	(242,871)	5,964
	14,884,712	12,961,547	14,884,712	12,961,547
	15,179,237	13,256,072	14,884,712	12,961,547

10 SUBSIDIARY COMPANIES

	<i>Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Unquoted shares - at cost	-	25,393,519
- at valuation	75,293,829	-
	75,293,829	25,393,519

The subsidiary companies are:

<i>Name</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Percentage of equity held</i>	
			<i>2000</i>	<i>1999</i>
			%	%
Direct subsidiary companies:				
Loh & Loh Constructions Sdn. Bhd.	Building and civil construction and investment holding	Malaysia	100	100
Loh & Loh Development Sdn. Bhd.	Property development	Malaysia	100	100
Subsidiary companies of Loh & Loh Constructions Sdn. Bhd.:				
Jutakim Sdn. Bhd.	Civil engineering	Malaysia	80	80
Turf-Tech Sdn. Bhd.	Turfing and other construction related works	Malaysia	90	90
Loh & Loh Sato Kogyo JV Sdn. Bhd.	Civil engineering	Malaysia	51	51
Quality Quarry Sdn Bhd (formerly Loh & Loh Ablemerge JV Sdn. Bhd.)	Quarry operations	Malaysia	68	51
Loh & Loh Ikhmas Sdn. Bhd.	Civil engineering	Malaysia	70	70

All the subsidiary companies are incorporated in Malaysia and audited by PricewaterhouseCoopers, Malaysia.

The acquisitions of Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd. which met the criteria for merger accounting under MAS 2 are accounted for under that method.

In accordance with the merger relief provisions of Section 60(4) of the Companies Act, 1965, Loh & Loh Corporation Berhad has recorded its investment in Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd. at the nominal value of the ordinary shares issued as consideration. On consolidation, the excess of the carrying value of the investment over the nominal value of the shares acquired has been taken to merger reserve.

All the subsidiary companies of Loh & Loh Constructions Sdn. Bhd. are consolidated based on the acquisition method of accounting in the financial statements of Loh & Loh Constructions Sdn. Bhd.

During the financial year, the Company revalued its cost of investments in subsidiary companies to their respective net tangible assets as at 31 December 1999.

notes to the financial statements (CONT'D)

11 ASSOCIATED COMPANIES

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Unquoted shares - at cost	367,550	367,550
Amortisation of reserve on acquisition	5,496	4,122
Share of post acquisition profits	1,325,276	2,740,505
	1,698,322	3,112,177
Group's share of net assets	1,699,696	3,114,924
Reserve on acquisition less amortisation	(1,374)	(2,747)
	1,698,322	3,112,177

The associated companies are:

<i>Name</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Percentage of equity held</i>	
			<i>2000</i>	<i>1999</i>
			%	%
Gold Bridge - Loh & Loh Sdn. Bhd.	Dormant	Malaysia	50	50
Bukit Maju Construction 3 Sdn. Bhd.	Construction related works	Malaysia	49	49

12 TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade receivables	32,991,756	21,710,749	120,016	120,015
Retention sum	24,372,315	31,808,701	7,896,246	15,971,487
Total trade receivables	57,364,071	53,519,450	8,016,262	16,091,502
Provision for doubtful debts	(5,598,453)	(5,598,453)	-	-
	51,765,618	47,920,997	8,016,262	16,091,502
Amount due from customers on contracts (Note 13)	15,592,025	6,525,271	-	-
Amount due from subsidiary companies	-	-	-	3,002,216
Amount due from an associated company	-	677,181	-	-
Deposits	1,954,354	-	-	-
Prepayments	96,478	-	-	-
Other receivables	3,826,043	2,646,771	2,354,765	22,914
Provision for doubtful debts	(62,660)	(62,660)	-	-
	73,171,858	57,707,560	10,371,027	19,116,632

Amounts due from subsidiary companies are unsecured, interest free and with no fixed term of repayment.

The amount due from an associated company comprises of trade receivables.

13 CONSTRUCTION CONTRACTS

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Costs of contract work-in-progress incurred	719,175,454	591,445,216	249,579,957	228,740,467
Attributable profits	106,828,616	78,485,532	-	-
	826,004,070	669,930,748	249,579,957	228,740,467
Progress billings on uncompleted contracts	(835,482,847)	(680,920,470)	(249,579,957)	(228,740,467)
	(9,478,777)	(10,989,722)	-	-
Amount due to customers on contracts (Note 16)	(25,070,802)	(17,514,993)	-	-
Amount due from customers on contracts (Note 12)	15,592,025	6,525,271	-	-
	(9,478,777)	(10,989,722)	-	-
Advance received on contracts	2,581,190	-	-	-
Included in the costs of contract work-in-progress are charges incurred during the year:				
Depreciation of property, plant and equipment (Note 7)	2,197,982	2,292,735	-	-
Director of a subsidiary company - other emoluments	-	458,400	-	-
Rental of site premises	129,105	123,350	-	-
Rental on hiring of plant and machinery	620,575	147,195	-	-

Also included in the costs of contract work-in-progress are:

The estimated monetary value of benefits provided to a Director of a subsidiary company during the year by way of usage of the Group's assets, provision of accommodation and other similar benefits amounted to RM18,000 (1999: RM19,917).

Fees paid for advisory services rendered by a Director of the Company to the Group amounted to RM54,000 (1999: RM54,000).

Directors' remuneration paid to a Director of the Company for services rendered to the Group amounted to RM248,640 (1999: RM210,000).

notes to the financial statements (CONT'D)

14 SHORT TERM INVESTMENTS

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Investment in unquoted bonds				
At cost	5,520,300	11,541,274	5,520,300	11,541,274
Accretion of discount	266,883	143,874	266,883	143,874
	5,787,183	11,685,148	5,787,183	11,685,148
Investment in shares quoted in Malaysia				
At cost	5,977,754	4,351,972	5,977,754	4,351,972
Provision for diminution in value	(3,337,412)	(861,738)	(3,337,412)	(861,738)
	2,640,342	3,490,234	2,640,342	3,490,234
	8,427,525	15,175,382	8,427,525	15,175,382
Market value of investment in quoted shares	2,640,342	3,490,234	2,640,342	3,490,234

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balance sheet amounts:

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Short term deposits with licensed banks	54,475,374	28,249,591	43,922,871	27,764,836
Cash and bank balances	3,179,451	7,441,870	372,486	441,928
	57,654,825	35,691,461	44,295,357	28,206,764

16 TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade payables	52,065,562	41,185,544	-	-
Amount due to customers on contracts (Note 13)	25,070,802	17,514,993	-	-
Amount due to subsidiary companies	-	-	59,591,542	57,390,683
Amount due to an associated company	394,639	-	-	-
Amount due to related party	1,000,000	-	-	-
Other payables	1,057,821	2,480,819	506,175	485,150
Accruals	1,361,282	-	-	-
Hire purchase creditors (Note 17)	242,080	444,530	-	-
	81,192,186	61,625,886	60,097,717	57,875,833

Amounts due to subsidiary companies are unsecured, interest free and with no fixed terms of repayment.

17 HIRE PURCHASE CREDITORS

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Amount payable	336,250	654,578
Finance charges	(37,084)	(87,548)
	299,166	567,030
Amount due within 1 year classified as payables (Note 16)	242,080	444,530
Amount due between 1 to 2 years	57,086	122,500
	299,166	567,030

18 DEFERRED TAXATION

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
At 1 January	4,612,871	4,628,871
Net transfer to income statement (Note 5)	(1,835,081)	(16,000)
At 31 December	2,777,790	4,612,871
The balance comprises the tax effects of:		
- surplus on revaluation of real property assets	635,201	880,022
- excess of capital allowances over depreciation	3,050,740	3,851,009
- others	(908,151)	(118,160)
	2,777,790	4,612,871

The tax effects of surplus on revaluation arising from the revaluation of freehold land and buildings under property, plant and equipment have not been provided for as there is no intention to dispose off the assets in the foreseeable future.

19 SHARE CAPITAL

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Ordinary shares of RM1.00 each				
Authorised				
At 1 January and 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At 1 January	32,000,000	32,000,000	32,000,000	32,000,000
Bonus issue during the year	36,000,000	-	36,000,000	-
At 31 December	68,000,000	32,000,000	68,000,000	32,000,000

notes to the financial statements (CONT'D)

20 MERGER DEFICIT

The difference between the nominal value of shares of the Company issued as consideration and the nominal value of Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd.'s shares transferred to the Company has been classified as a merger deficit and is set off against reserves in the consolidated financial statements.

The merger deficit is derived from the following:

	<i>RM</i>
Shares issued in conjunction with the acquisition of Loh & Loh Constructions Sdn. Bhd. and Loh & Loh Development Sdn. Bhd.	25,393,519
Nominal value of shares acquired	(12,235,000)
	13,158,519

21 RETAINED EARNINGS

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank all of its retained profits as at 31 December 2000 if paid out as dividends.

Subject to agreement with the Inland Revenue Board, the tax exempt income account balance as at 31 December 2000 for the Company is RM1,277,806.

22 CONTINGENT LIABILITIES (UNSECURED)

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Guarantees given to banks for performance/tender guarantees granted to third parties	62,604,714	53,421,958	37,713,150	37,713,150

23 SIGNIFICANT RELATED PARTY TRANSACTIONS**Related parties and relationships**

The related parties of the Company are as follows:

<i>Related parties</i>	<i>Relationships</i>
Loh & Loh Constructions Sdn Bhd	Wholly owned subsidiary company
Loh & Loh Development Sdn Bhd	Wholly owned subsidiary company
Jutakim Sdn Bhd	Subsidiary company of Loh & Loh Constructions Sdn Bhd
Turf-Tech Sdn Bhd	Subsidiary company of Loh & Loh Constructions Sdn Bhd
Loh & Loh Sato Kogyo JV Sdn Bhd	Subsidiary company of Loh & Loh Constructions Sdn Bhd
Quality Quarry Sdn Bhd (formerly known as Loh & Loh Ablemerge JV Sdn Bhd)	Subsidiary company of Loh & Loh Constructions Sdn Bhd
Loh & Loh Ikhmas Sdn Bhd	Subsidiary company of Loh & Loh Constructions Sdn Bhd
Gold Bridge-Loh & Loh Sdn Bhd	Associated company
Bukit Maju Construction 3 Sdn Bhd	Associated company
Ikhmas Jaya Sdn Bhd	Corporate shareholder of subsidiary company of Loh & Loh Constructions Sdn Bhd
Saroma Engineering Sdn Bhd	Corporate shareholder of subsidiary company of Loh & Loh Constructions Sdn Bhd
Sato Kogyo Co. Ltd	Corporate shareholder of subsidiary company of Loh & Loh Constructions Sdn Bhd

23 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Significant transactions with related parties

In the ordinary course of business, the Company undertakes transactions with its related companies which are as follows:

	<i>2000</i> <i>RM</i>
Progress billings received/receivable from:	
Bukit Maju Construction 3 Sdn Bhd	1,806,008
Loh & Loh Sato Kogyo JV Sdn Bhd	1,461,503
Progress billings paid/payable to:	
Sato Kogyo Co. Ltd	1,918,672
Ikhmas Jaya Sdn Bhd	3,298,227
Saroma Engineering Sdn Bhd	1,034,598
Loh & Loh Ikhmas Sdn Bhd	7,024,025
Hire of plant and machineries to:	
Jutakim Sdn Bhd	60,000

The above transactions are similar in nature and no single transaction is significant enough to warrant separate disclosure.

The related party transactions described above were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Balances with related parties

The balances with related parties at the end of the financial year have been disclosed in the balance sheet.

24 SEGMENTAL INFORMATION

The Group is primarily engaged in construction and construction related activities within Malaysia.

25 SIGNIFICANT EVENTS

During the financial year,

- (a) the Company capitalised a sum of RM28,754,810 from its retained earnings account and another RM7,245,190 from its share premium reserve for a bonus issue of 36,000,000 new ordinary shares of RM1.00 each credited as fully paid-up by the Company on the basis of nine (9) new ordinary shares for every eight (8) existing ordinary shares held in the Company.
- (b) the shares of the Company were admitted to the Official Quotation of the Main Board of the Kuala Lumpur Stock Exchange.
- (c) the Company's wholly-owned subsidiary, Loh & Loh Constructions Sdn Bhd (L & L), subscribed for an additional 67,949 new ordinary shares of RM1.00 each in its existing subsidiary, Loh & Loh Ablemerge JV Sdn Bhd ("LLA") ("Subscription") at par in cash. Pursuant to the subscription, the shareholdings of L & L in LLA increased from 51 ordinary shares of RM1.00 each to 68,000 ordinary shares of RM1.00 each representing an increase its equity interest in LLA from 51% to 68%. LLA has changed its name to Quality Quarry Sdn Bhd, to better reflect its intended quarry related operations.

26 SUBSEQUENT EVENTS

Subsequent to year end, the Company announced to the Kuala Lumpur Stock Exchange the proposed acquisition of the entire share capital in Bipes Fluid Engineering Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM14,100,000.

The above proposal is subject to conditions precedent being fulfilled and approvals from relevant authorities being obtained.

27 MATERIAL LITIGATION

Loh & Loh Constructions Sdn Bhd (L & L), a wholly-owned subsidiary had filed a suit at the Kuala Lumpur High Court by way of a Writ of Summons No. D5-22-375-93 dated 13 May 1993 ("said suit") against Quota Innovations Sdn Bhd ("QISB") for breach of a Contract Agreement and against all QISB's directors for breach of guarantee and against Kassim Chan Management Services Sdn Bhd ("KCMS") for their breach of duty of care towards L & L. The claim is for a sum of approximately RM3,623,000 under the Contract Agreement including a sum of RM1,100,000 by way of a loan granted to QISB. KCMS is sued jointly for this loan sum of RM1,100,000 as the loan monies was disbursed to the project account managed by KCMS. There is a counter-claim filed by QISB against L & L for wrongful termination of the Contract Agreement. In respect of QISB and its director, the claim and the counter-claim have been remitted for a arbitration and the said suit against QISB and its directors has been stayed pending the outcome of the same. The hearing of the arbitration has been completed and lawyers of both parties are preparing submissions to the arbitrator. The said suit in respect of KCMS is still proceeding in the High Court and the trial dates have yet to be fixed.

statement by
DIRECTORS

PURSUANT TO SECTION 169(15)
OF THE COMPANIES ACT, 1965

We, Abdul Rashid bin Abdul Manaff and Loh Kim Tai, two of the Directors of Loh & Loh Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 22 to 44 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2000 and of the results of the Group and the Company and the cash flows of the Group for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia and comply with the provisions of the Companies Act, 1965.

In accordance to the resolution of the Board of Directors dated 16 April 2001.

ABDUL RASHID BIN ABDUL MANAFF
DIRECTOR

LOH KIM TAI
DIRECTOR

Kuala Lumpur
16 April 2001

statutory
DECLARATION

PURSUANT TO SECTION 169(16)
OF THE COMPANIES ACT, 1965

I, Loh Kim Kah, the Director primarily responsible for the financial management of Loh & Loh Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 22 to 44 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOH KIM KAH
DIRECTOR

Subscribed and solemnly declared by the abovenamed Loh Kim Kah at Petaling Jaya in Malaysia on 16 April 2001, before me.

S. AROKIASAMY
COMMISSIONER FOR OATHS (No. B003)
No. 26A, Jalan Yong Shook Lin
42600 Petaling Jaya, Selangor

report of the AUDITORS

TO THE MEMBERS OF LOH & LOH CORPORATION BERHAD

We have audited the financial statements set out on pages 22 to 44. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

ERIC OOI LIP AUN
(No. 1517/06/02 (J))
Partner of the firm

Kuala Lumpur
16 April 2001

shareholdings STATISTICS

AS PER THE RECORD OF DEPOSITORS
AS AT 9 APRIL 2001

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid-up	:	RM68,000,000.00
Class of Shares	:	Ordinary Shares of RM1.00 Each
No. of Shareholders	:	1,316
Voting Rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

<i>Holdings</i>	<i>No. of Shareholders</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Less than 1,000	45	3.42	10,875	0.02
1,000 to 10,000	1,040	79.03	3,056,375	4.49
10,001 to 100,000	195	14.82	4,988,000	7.34
100,001 to less than 5% of issued shares	33	2.50	24,861,819	36.56
5% and above of issued shares	3	0.23	35,082,931	51.59
Total	1,316	100.00	68,000,000	100.00

THIRTY LARGEST SECURITIES ACCOUNT HOLDER

<i>No.</i>	<i>Shareholders</i>	<i>Shareholdings</i>	<i>%</i>
1.	Vital Achievement Sdn Bhd	24,847,431	36.54
2.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Sec A/C-Vital Achievement Sdn Bhd</i>	5,312,500	7.81
3.	Abdul Rashid bin Abdul Manaff	4,923,000	7.24
4.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sidelite Resources Sdn Bhd</i>	2,975,000	4.38
5.	Mohd Radzuan bin Ab Halim	2,942,356	4.33
6.	Sidelite Resources Sdn Bhd	2,762,500	4.06
7.	HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ridzuan bin Mohd Murad</i>	2,475,000	3.64
8.	Seni Permata Sdn Bhd	1,613,744	2.37
9.	Chua Bin Neo @ Ivy Chua	1,275,000	1.88
10.	Kestrel Securities Nominees (Asing) Sdn Bhd	1,207,000	1.78
11.	Arab-Malaysian Nominees (Tempatan) Sdn Bhd <i>Arab-Malaysian Trustee Bhd-HLB Penny Stock Fund</i>	1,063,750	1.56
12.	Arab-Malaysian Nominees (Asing) Sdn Bhd <i>Arab-Malaysian Trustee Bhd-Smoothtrade Holding Ltd</i>	956,250	1.41
13.	Meor Othman bin Meor Lope	816,000	1.20
14.	Tan Han Liong	646,000	0.95
15.	Teo Lee Hong	637,500	0.94

shareholdings statistics (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDER (CONT'D)

No.	Shareholders	Shareholdings	%
16.	Chia Wai Khim	626,094	0.92
17.	Arab-Malaysian Finance Berhad <i>Pledged Securities Account for Abdul Rashid bin Abdul Manaff</i>	500,000	0.74
18.	Mayban Nominees (Tempatan) Sdn Bhd <i>Phileo Asset Management For Perusahaan Otomobil Nasional Bhd</i>	448,000	0.66
19.	Rizuwan bin Mohd Murad	425,000	0.63
20.	Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustee Berhad for Phileo Equityextra Fund</i>	407,000	0.59
21.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust</i>	406,000	0.59
22.	Kestrel Capital Partners (M) Sdn Bhd <i>Zoltan Finance Limited</i>	376,125	0.55
23.	Lum Yoke Chan @ Lim Yoke Chan	327,250	0.48
24.	Moey Sek Woon	314,000	0.46
25.	Tasec Nominees (Asing) Sdn Bhd <i>Meespierson Asia Limited-Savern Finance Limited</i>	233,750	0.34
26.	Lee Kem Man	187,000	0.28
27.	Citicorp Nominees (Asing) Sdn Bhd <i>TNTC for Government of Singapore Investment Corporation Pte Ltd</i>	176,375	0.26
28.	Mayban Nominees (Tempatan) Sdn Bhd <i>Phileo Asset Management Sdn Bhd for Phileo Allied Bank (Malaysia) Berhad</i>	170,000	0.25
29.	Muhammad Rizal bin Abdullah	136,000	0.20
30.	Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Chit Boon</i>	117,500	0.17
Total		59,303,125	87.21

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders as at 9 April 2001

No.	Shareholders	Direct	No. of Shares Held		%
			%	Indirect	
1.	Abdul Rashid bin Abdul Manaff	5,423,000	7.97	*1 1,613,744	2.37
2.	Mohd Radzuan bin Abdul Halim	2,942,356	4.33	-	-
3.	Rizuwan bin Murad	2,926,750	4.30	-	-
4.	Seni Permata Sdn Bhd	1,613,744	2.37	-	-
5.	Sidelite Resources Sdn Bhd	5,737,500	8.44	-	-
6.	Vital Achievement Sdn Bhd	30,159,931	44.35	-	-
7.	Lim Kean Beng	-	-	*2 30,159,931	44.35
8.	Loh Kim Tai	-	-	*3 30,159,931	44.35
9.	Loh Leh Cheng	-	-	*4 30,159,931	44.35
10.	Mary Margret A/P A. Pelly	-	-	*5 5,737,500	8.44
11.	Michael Joseph Monteiro	-	-	*5 5,737,500	8.44
12.	Teo Teng Boi	-	-	*2 30,159,931	44.35
13.	Teoh Lai See	-	-	*2 30,159,931	44.35
14.	Tong Le Siw	-	-	*2 30,159,931	44.35

*1 Deemed interested by virtue of being a substantial shareholder of Seni Permata Sdn Bhd ('SPSB'). SPSB is a substantial shareholder of Loh & Loh Corporation Berhad ('LLCB').

*2 Deemed interested by virtue of being a substantial shareholder of Vital Achievement Sdn Bhd ('VASB'). VASB is a substantial shareholder of LLCB.

*3 Deemed interested by virtue of the substantial interest of his spouse, Ms Tong Le Siw, in VASB.

*4 Deemed interested by virtue of her direct equity shareholding in VASB and the substantial interest of her spouse, Lim Kean Beng in VASB.

*5 Deemed interested by virtue of being a substantial shareholder of Sidelite Resources Sdn Bhd ('SRSB'). SRSB is a substantial shareholder of LLCB.

DIRECTORS' INTEREST IN THE SHARE CAPITAL OF THE COMPANY

As per the register of Directors' Shareholdings as at 9 April 2001

No. Directors	Direct	%	No. of Shares Held		%
			Indirect		
1.	Abdul Rashid bin Abdul Manaff	5,423,000	7.97	*1 1,613,744	2.37
2.	Lee Hon Keong #	95,625	0.14	-	-
3.	Loh Kim Tai	-	-	*2 30,159,931	44.35
4.	Loh Kim Kah	-	-	-	-
5.	Danny Ng Siew L'Leong	-	-	-	-
6.	Hooi Kah Hung	-	-	-	-
7.	O Wai Tiong	-	-	-	-

*1 Deemed interested by virtue of being a substantial shareholder of SPSB.

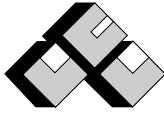
*2 Deemed interested by virtue of the substantial interest of his spouse, Tong Le Siw, in VASB.

Mr Lee Hon Keong holds 40,000 shares (10%) in Jutakim Sdn Bhd, a subsidiary company of Loh & Loh Constructions Sdn Bhd which in turn is wholly owned by LLCB.

list of all properties HELD BY THE GROUP

AS AT 31 DECEMBER 2000

<i>Location</i>	<i>Description</i>	<i>Existing Use</i>	<i>Tenure and Approximate Age of Building (Years)</i>	<i>Total Land Area/ (Built-up Area) Sq. Metres</i>	<i>Net Book Value RM</i>	<i>Date of Last Revaluation/ *Date of Acquisition</i>
Lot 24083 No. 38 & 38A Jalan Bertam 14 Taman Daya Johor Bahru, Johor.	Double storey terrace shophouse end lot	Vacant shophouse	Freehold (15.2)	234.1157 (327.389)	423,750	31/01/96
Grant 14428 Lot 47626 Grant 14429 Lot 47627 19 & 21 Jalan Sri Hartamas 7 Taman Sri Hartamas 50480 Kuala Lumpur.	Two units adjoining four storey shophouses	Office building	Freehold (9.5)	297.28 (1,163.12)	3,290,500	23/01/96
Grant 28522 Lot 4474 Mukim of Hulu Bernam Timur District of Batang Padang Perak.	Industrial land	Vacant	Freehold (n/a)	15.940 acres (n/a)	2,300,000	07/03/96
Lots 592-593, 594, 585, 586, 595, 596 and 1327-1329 Mukim of Setul District of Seremban Negeri Sembilan.	Land for development	Vacant	Freehold (n/a)	31.991 acres (n/a)	7,721,470	15/03/96
Lot 3828 CT No. 6177 Mukim Setul District of Seremban Negeri Sembilan.	Land	Storeyard & workshop	Freehold (n/a)	11.0 acres (n/a)	3,147,490	*30/06/99
Lot 482-483 Type KT3 Nilai Industrial Zone Mukim Setul District of Seremban Negeri Sembilan	Two units 1 1/2 storey terraced factory	Vacant	Freehold (n/a)	4,800 sq. ft.	470,000	*17/02/00
Unit No. 1551 Awana Condominium Genting Highlands HS (D) 2078 PT No. 2157/95 District of Bentung Negeri Pahang	Apartment	Vacant	Freehold (n/a)	1,258 sq. ft.	451,132	*13/09/00



Loh & Loh Corporation Berhad
(Company No: 389765-V)

proxy
FORM

Number of Shares Held

I/We _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

being a member/members of Loh & Loh Corporation Berhad hereby appoint _____

_____ (FULL NAME)

of _____ (ADDRESS)

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Fifth (5th) Annual General Meeting of the Company to be held at the Banquet Hall of Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 31 May 2001 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

Resolution		For	Against
1	Adoption of Accounts and Reports		
2	Approval for payment of Final Dividend		
3	Approval of Directors' Fees		
4	Re-election of En Abdul Rashid bin Abdul Manaff as a Director		
5	Re-election of Mr O Wai Tiong as a Director		
6	Re-appointment of Auditors		
7	To authorise the Directors under Section 132D of the Companies Act 1965 to allot and issue shares in the Company		

Please indicate with "x" how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 2001

Signature/Common Seal of Shareholder(s)

Notes:

1. A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on a show of hands or on a poll in his stead. A proxy need not be a member of the Company.
2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or signed by its attorney or under the hand of an officer of the corporation duly authorised in that behalf.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Level 13, Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.