



**QUARTERLY REPORT**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER ENDED 30 JUNE 2008**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING
	QUARTER	CORRESPONDING	TO DATE	YEAR ENDED
	30/06/08	30/06/07	30/06/08	30/06/07
	RM'000	RM'000	RM'000	RM'000
Revenue	89.001	77.694	160.790	132.976
Cost of Sales	(77.530)	(68.513)	(140.516)	(117.288)
Gross profit	11.471	9.181	20.274	15.688
Other Operating income	1.659	588	2.078	1.387
Administrative expenses excluding finance cost	(5.456)	(4.640)	(10.264)	(8.866)
Finance cost	(43)	(33)	(68)	(67)
Profit/(loss) before income tax	7.631	5.096	12.020	8.142
Taxation	(2.080)	(1.549)	(3.274)	(2.443)
Profit/(loss) for the period from continuing operations	5.551	3.547	8.746	5.699
Attributable to :				
Equity holders of the parent	5.608	3.623	8.803	5.775
Minority interests	(57)	(76)	(57)	(76)
	5.551	3.547	8.746	5.699
Earnings per share attributable to equity holders of the parent :				
Basic (based on 68,000,000 ordinary shares)(sen)	8,25	5,33	12,95	8,49
Fully diluted (based on 68,000,000 ordinary	8,25	5,33	12,95	8,49

**(THE CONDENSED CONSOLIDATED INCOME STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007)**



**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	AS AT OF CURRENT QUARTER ENDED 30/06/08 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/07 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant & Equipment	36.212	34.429
Investment Properties	23.594	23.594
Land held for property development	37.237	36.995
Intangible Assets	4.635	4.869
Long Term Investment	295	295
Deferred Tax assets	439	439
	<u>102.412</u>	<u>100.621</u>
<b>Current Assets</b>		
Property development costs	19.104	26.327
Inventories	581	568
Debtors	89.873	86.357
Short term investments	18.068	9.566
Cash and Cash Equivalents	68.671	96.081
	<u>196.297</u>	<u>218.899</u>
<b>TOTAL ASSETS</b>	<u>298.709</u>	<u>319.520</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	68.000	68.000
Reserves	111.684	106.907
Shareholders' funds	<u>179.684</u>	<u>174.907</u>
Minority Interests	2.099	2.156
Total equity	<u>181.783</u>	<u>177.063</u>
<b>Non-current liabilities</b>		
Long Term Borrowings	579	544
Other deferred liabilities	3.903	4.126
<b>Total non-current liabilities</b>	<u>4.482</u>	<u>4.670</u>
<b>Current Liabilities</b>		
Creditors	106.005	134.640
Short term borrowings	-	1.345
Provision for taxation	2.413	1.802
Dividends payables	4.026	-
<b>Total current liabilities</b>	<u>112.444</u>	<u>137.787</u>
<b>Total liabilities</b>	<u>116.926</u>	<u>142.457</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>298.709</u>	<u>319.520</u>
<b>Net assets per share (RM)</b>	<u>2.67</u>	<u>2.60</u>

**(THE CONDENSED CONSOLIDATED BALANCE SHEET SHOULD BE READ IN  
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ENDED 31 DECEMBER 2007)**



**LOH & LOH Corporation Berhad** (389765 V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2008**

	Attributable to Equity Holders of the Parent			Total	Minority	Total
	Share Capital	Revaluation Reserve	Retained Profits		interest	
	RM'000	RM'000	RM'000		RM'000	
<b>Period ending 30 June 2008</b>						
Balance as at 01.01.2008	68.000	3.668	103.239	174.907	2.156	177.063
Net profit for the period			8.803	8.803	(57)	8.746
Dividends payable	-	-	(4.026)	(4.026)	-	(4.026)
Balance as at 30.06.2008	<u>68.000</u>	<u>3.668</u>	<u>108.016</u>	<u>179.684</u>	<u>2.099</u>	<u>181.783</u>
<b>Period ending 30 June 2007</b>						
Balance as at 01.01.2007	68.000	3.330	90.753	162.083	2.072	164.155
Net profit for the period	-	-	5.775	5.775	(76)	5.699
Dividends payable	-	-	(3.971)	(3.971)	-	(3.971)
Balance as at 30.06.2007	<u>68.000</u>	<u>3.330</u>	<u>92.557</u>	<u>163.887</u>	<u>1.996</u>	<u>165.883</u>

**(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN  
CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007)**

*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2008**

	2008 Period ended 30-Jun RM'000	2007 Period ended 30-Jun RM'000
Net profit after tax	8.803	5.775
Adjustments for non-cash flow :-		
Non-cash items	5.100	3.387
Non-operating items	(53)	(560)
	<hr/>	<hr/>
Operating profit before changes in working capital	13.850	8.602
Changes in working capital :		
Net Change in current assets	21.179	30.463
Net Change in current liabilities	(46.099)	(6.467)
	<hr/>	<hr/>
Net changes in working capital	(24.920)	23.996
Tax paid	(2.783)	(1.700)
	<hr/>	<hr/>
Net cash flows from operating activities	(13.853)	30.898
Investing Activities		
Equity Investments	(9.000)	1.098
Other Investments	(2.062)	(2.021)
	<hr/>	<hr/>
	(11.062)	(923)
Financing Activities		
Dividend paid	-	-
Bank borrowings	(2.495)	(1.011)
	<hr/>	<hr/>
	(2.495)	(1.011)
Net Change in Cash & Cash Equivalents	(27.410)	28.964
Cash & Cash Equivalents at beginning of the year	96.081	57.506
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Cash & Cash Equivalents at end of the period	68.671	86.470

**(THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT SHOULD BE  
READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE  
YEAR ENDED 31 DECEMBER 2007)**



**Explanatory notes and additional information**

**A1 Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). It should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2007. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2007 except that the Group has adopted the new/revised standards mandatory for the financial period beginning on or after 1 January 2008, which are as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The initial applications of these FRSs do not have any material impact on the financial statements of the Group.

**A2 Audit qualification**

The audit report of the Group's annual audited financial statements for the year ended 31 December 2007 was not subject to any qualification.

**A3 Seasonal or Cyclical Factors**

The business operations of the Group for the interim period were not affected by seasonal and cyclical factors.

**A4 Material items affecting interim financial statements**

There were no material items affecting assets, liabilities, equity, net income, or cash flows of the Group during the quarter and financial period to date.

**A5 Changes in estimates**

There are no material changes in estimates of amounts reported in prior interim period of the current financial year nor changes in estimates of amounts reported in prior financial years.

**A6 Changes in Share Capital**

On 1 July 2008, Loh & Loh Constructions Sdn Bhd ("LLCSB"), a wholly owned subsidiary of Loh & Loh Corporation Berhad ("LLCB") issued 12,765,000 new ordinary shares of RM1.00 each at par to LLCB. The new issuance did not affect LLCB's interest in LLCSB, which remains at 100%.

On 1 July 2008, Water Engineering Technology Sdn Bhd ("WETSB"), a wholly owned subsidiary of Loh & Loh Corporation Berhad ("LLCB") issued 7,000,000 new ordinary shares of RM1.00 each at par to LLCB. The new issuance did not affect LLCB's interest in WETSB, which remains at 100%.

On 1 July 2008, WET Air Sdn Bhd ("WASB"), a subsidiary of WETSB, issued 97,500 new ordinary shares of RM1.00 each at par to WETSB and 52,500 new ordinary shares of RM1.00 each at par to Air Pollution Control Engineering Sdn Bhd. ("APCE") in compliance and pursuant of Joint Venture Agreement dated 22 June 2004. The issuance of 150,000 new ordinary shares of RM1.00 each at par did not affect LLCB's effective interest in WASB, which remains at 65%.

**A7 Dividends paid**

There were no dividends paid in the current interim period.

**Explanatory notes and additional information****A8 Segment Reporting**

The segment revenue and segment results for the financial period ended 30 June 2008 :

Analysis by business segments

<b>Segments</b>	<b>Revenue</b>			<b>Results RM'000</b>
	<b>External RM'000</b>	<b>Internal RM'000</b>	<b>Total RM'000</b>	
Construction	132.216	8.417	140.633	8.251
Developments	20.414	-	20.414	4.883
Investments	547	5.678	6.225	4.937
Quarrying & trading	7.613	184	7.797	(557)
	160.790	14.279	175.069	17.514
Consolidation adjustments	-	(14.279)	(14.279)	(5.426)
	160.790	-	160.790	12.088
Finance cost				(68)
				12.020

**A9 Valuation of Property, Plant and Equipment**

The valuation of land and buildings have been brought forward, without amendment, from the most recent audited financial statements for the year ended 31 December 2007. The carrying value is based on a valuation carried out in 2006 by independent qualified valuers less depreciation.

**A10 Material Events**

There were no material events subsequent to the end of the current period which have significant impact on the results of the Group.

**A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current interim period.

**A12 Changes in Contingent Liabilities and Contingent Assets**

The changes in contingent liabilities since 31 December 2007 are as follows :

In the ordinary course of business, the Group has given guarantees to banks as security for bank guarantee facilities as follows:-

Performance of projects undertaken	RM	15.795.088
Projects tendered	RM	25.000



**Explanatory notes and additional information**

**B1 Review of Performance of the Company and its Principal Subsidiaries**

For the financial period ended 30 June 2008, the Group's better performance was mainly due to the construction and property division.

The Group's construction division registered an increase in revenue of RM 132.22 million and profit before taxation of RM 8.25 million as compared to a revenue of RM 124.08 million and profit before taxation of RM 7.33 million for the financial period ended 30 June 2007, driven by a higher level of construction activities from the existing jobs secured.

The Group's property division generated a revenue of RM 20.4 million and profit before tax of RM 4.9 million for the financial period ended 30 June 2008.

**B2 Material changes in the Quarterly Results compared to the results of the Preceding Quarter**

The Group's revenue and profit before taxation for the second quarter of 2008 increased to RM 89.00 million and RM7.63 million respectively as compared to revenue of RM 71.79 million and profit before taxation of RM 4.39 million in the preceding quarter due to higher revenue from construction activities and property division.

**B3 Prospects**

Despite the challenges of intense competition and rising material costs facing the construction sector, the Board is optimistic that the results for 2008 will be better than 2007 based on the existing order book. Furthermore, the property development division of the Group is expected to contribute positively to the Group's earnings.

**B4 Variance of Actual Profit from Forecast Profit and Profit Guarantee**

This is not applicable to the Group.

**B5 Taxation**

	Current Year Quarter	Cumulative Current Year To Date
	30/06/08 RM'000	30/06/08 RM'000
Current year	2,276	3,507
Under/(over) provision of tax	(10)	(10)
Deferred taxation	(186)	(223)
Total tax expense	2,080	3,274



**Explanatory notes and additional information**

**B5** The explanation on the variance between the statutory tax rate and effective tax rate are as follows:

	Current Year Quarter 30/06/08 %	Cumulative Current Year To date 30/06/08 %
Statutory tax rate	26.00	26.00
Expenses not deductible for tax purposes	1.26	1.98
Non-taxable income	0.14	(0.65)
Overprovision of tax in prior year	(0.14)	(0.09)
Average effective tax rate	<u>27.26</u>	<u>27.24</u>

**B6 Profit/loss on sale of Unquoted Investment and/ or Properties**

There was no sale of unquoted investment and properties for the current quarter and financial period to date.

**B7 Quoted Securities**

(a) The total purchases and disposals of quoted securities for the current quarter and financial period to date and profit/(loss) arising there from are as follows:

	Current Year Quarter RM'000	Cumulative Current Year To Date RM'000
Total purchases	1,064	3,090
Total disposals	537	2,408
Total profit/(loss) on disposals	(75)	165

(b) Total investments in quoted shares as at 30 June 2008 are as follows :-

	RM'000
Total investments at cost	6,331
Provision for diminution in value	(962)
Total investments at carrying value/book value	<u>5,369</u>
Total investments at market value	<u>5,369</u>



**Explanatory notes and additional information**

**B8 Corporate Proposals**

There were no corporate proposals announced for the current financial period under review.

**B9 Group Borrowings and Debt Securities**

Other than hire purchase commitments, the Group has no borrowings, in Ringgit Malaysia, as at 30 June 2008.

**B10 Off Balance Sheet Financial Instruments**

The Group had the following outstanding foreign exchange forward contract to hedge foreign currency purchases as at 21 August 2008:-

Type of Currency	Amount	Ringgit Equivalent	Maturity date
SEK	546,800	305,052	28 August 2008
GBP	17,922	115,954	30 December 2008

**B11 Changes in Material Litigation**

There were no changes in material litigation since the previous reported quarter.

**B12 Dividend**

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 30 June 2008.

**B13 Earnings per share**

The basic and diluted earnings per share is calculated based on: -

- a) the Group net profit for the reporting period attributable to ordinary shareholders of RM 8.80 million; and
- b) the weighted average number of ordinary shares outstanding during the reporting period of 68.00 million shares of RM1.00 each

BY ORDER OF THE BOARD

GWEE OOI TENG

COMPANY SECRETARY

MAICSA 0794701

Kuala Lumpur

Date: 27 August 2008