

LOH & LOH Corporation Berhad (389765 V)
(Incorporated in Malaysia)

QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2004**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR ENDED
	30/09/04 RM'000	30/09/03 RM'000	30/09/04 RM'000	30/09/03 RM'000
Revenue	35,265	45,406	111,944	120,467
Cost of Sales	(28,506)	(38,493)	(93,756)	(100,211)
Gross profit	6,759	6,913	18,188	20,256
Other Operating income	276	565	662	1,245
Administrative expenses excluding finance cost	(3,174)	(3,147)	(8,458)	(8,743)
Profit/(loss) from Operations	3,861	4,331	10,392	12,758
Finance cost	(16)	(24)	(62)	(93)
Shares of results of associate	-	-	-	-
Profit/(loss) before income tax, minority interests	3,845	4,307	10,330	12,665

Taxation	(1,667)	(1,279)	(3,670)	(3,926)
Profit/(loss) after income tax before deducting minority interests	2,178	3,028	6,660	8,739
Minority interests	(115)	(155)	(223)	(299)
Net profit/(loss) for the period attributable to members of the company	2,063	2,873	6,437	8,440
Earnings per share on above after deducting any provision for preference dividends, if any :-				
Basic(based on 68,000,000 ordinary shares)(sen)	3.03	4.23	9.47	12.41
Fully diluted (based on 68,000,000 ordinary shares)(sen)	3.03	4.23	9.47	12.41

(THE CONDENSED CONSOLIDATED INCOME STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2004

AS AT END OF CURRENT QUARTER ENDED 30/09/04 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/03 RM'000
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Property, Plant & Equipment	#####	26,050
Intangible Assets	1,413	1,841
Investment in Associated Companies	-	-
Long Term Investment	#####	22,610
Investment Properties	#####	25,829
Current Assets		
Inventories	786	1,309
Debtors	#####	57,195
Short term investments	7,638	6,915
Cash and Cash Equivalents	#####	56,442
	<u>#####</u>	<u>121,861</u>
Current Liabilities		
Creditors	#####	48,449
Short term borrowings	-	-
Provision for taxation	1,164	522
Dividends payables	-	-
	<u>#####</u>	<u>48,971</u>
Net Current Assets	#####	72,890
	<u>#####</u>	<u>149,220</u>
Share Capital	#####	68,000
Reserves	#####	76,790
Shareholders' Fund	<u>#####</u>	<u>144,790</u>
Minority Interests	745	522
Long Term Borrowings	137	484
Other deferred liabilities	3,309	3,424

	<u>#####</u>	<u>149,220</u>
Net tangible assets per share (RM)	<u>2.15</u>	<u>2.10</u>

(THE CONDENSED CONSOLIDATED BALANCE SHEET SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003)

***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2004***

	Share Capital	Reserve attributable to Capital		Revaluation Reserve	Retained Profits	Total
	RM'000	RM'000		RM'000	RM'000	RM'000
9 months period ending 30 September 2004						
Balance as at 01.01.2004	68,000	#####		8,629	81,320	144,790
Net profit for the period		-			6,437	6,437
Dividends paid					(3,917)	(3,917)
Balance as at 30.09.2004	<u>68,000</u>	<u>#####</u>	<u>-</u>	<u>8,629</u>	<u>83,840</u>	<u>147,310</u>

9 months period ending 30 September 2003

Balance as at 01.01.2003	68,000	#####		8,272	73,678	136,791
Prior year adjustments (Note A1)					(797)	(797)

	68,000	#####	-	8,272	72,881	135,994
Net profit for the period	-	-	-	-	8,440	8,440
Dividends paid	-	-	-	-	(3,917)	(3,917)
Balance as at 30.09.2003	68,000	#####	-	8,272	77,404	140,517

(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2004

	2004 Period ended 30-Sep RM'000	2003 Period ended 30-Sep RM'000
Net profit after tax	6,437	8,440
Adjustments for non-cash flow :-		
Non-cash items	4,343	4,970
Non-operating items	(295)	(402)
Operating profit before changes in working capital	#####	13,008
Changes in working capital :		
Net Change in current assets	#####	29,622
Net Change in current liabilities	(647)	(18,790)
Net changes in working capital	#####	10,832

Tax paid	(3,445)	(4,777)
Net cash flows from operating activities	<u>#####</u>	<u>19,063</u>
Investing Activities		
Equity Investments	#####	(234)
Other Investments	(1,240)	(2,944)
	<u>9,103</u>	<u>(3,178)</u>
Financing Activities		
Dividend paid	(3,917)	(3,917)
Bank borrowings	(569)	(3,208)
Net Change in Cash & Cash Equivalents	<u>(4,486)</u>	<u>(7,125)</u>
Net Change in Cash & Cash Equivalents	#####	8,760
Net Change in Cash & Cash Equivalents	#####	34,364
Cash & Cash Equivalents at beginning of year	<u>#####</u>	<u>43,124</u>

(THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003)

MASB 26 Interim Financial Reporting - Paragraph 16
Selected Explanatory Notes

A1 Accounting policies

The interim financial report of the Group has been prepared in accordance with MASB 26 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad. 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 annual audited financial statements.

A2 Audit qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2003 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 year 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

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

A7 Dividends paid

Dividends paid in the current interim period was as follows:

	9 months ended 30 September 2004		9 months ended 30 September 2003	
	Gross dividend per share	Amount of dividend net of 28% tax	Gross dividend per share	Amount of dividend net of 28% tax
	Sen	RM'000	Sen	RM'000
Final dividend approved by shareholders in respect of the year ended 31 December 2003 paid on 19 July 2004	8	3,917		
		<hr/>		
Final dividend approved by shareholders in respect of the year ended 31 December 2002, paid on 28 July 2003			8	3,917
			<hr/>	<hr/>

A8 Segment Reporting

The segment revenue and segment results for the financial period ended 30 September 2004 :

Analysis by business segments

<i>Segments</i>	<i>Revenue</i>			<i>Results RM'000</i>
	<i>External RM'000</i>	<i>Internal RM'000</i>	<i>Total RM'000</i>	
Constructions	99,695	3,628	103,323	7,634
Investments	5,214	5,702	10,916	8,007
Quarrying & trading	7,035	1,780	8,815	857
	111,944	11,110	123,054	16,498
Consolidation adjustments		(11,110)	(11,110)	(6,111)
	111,944	-	111,944	10,387
Finance cost				(57)
Share of associate results				-
				10,330

A9 Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant & equipment from the previous annual financial statements.

A10 Material Subsequent 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

During the quarter ended 30 June 2004, Water Engineering Technology Sdn Bhd, a wholly owned subsidiary of Loh & Loh Corporation Berhad ("LLCB") has on 22 June 2004 entered into a joint venture agreement with Air Pollution Control Engineering Sdn. Bhd., Yap Kam Biow and John Henning De Kock in relation to a Joint Venture in Positive Cycle Sdn Bhd (now known as WET Air Sdn Bhd ("Proposed Joint Venture")),

thereby resulting in Wet Air Sdn Bhd becoming an indirect subsidiary of LLCB.

A12 Changes in Contingent Liabilities and Contingent Assets

The changes in contingent liabilities since 31 December 2003 are as follows :

In the ordinary course of business, the Group has given guarantees to banks as security for bank guarantee facilities in respect of performance/tender bonds given as follows :-

Performance of projects undertaken	RM 2.0 million
Projects tendered	RM 5.7 million