



QUARTERLY REPORT

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

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|-------------------------|--|-------------------------|-------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR ENDED |
| | 30/09/08 RM | 30/09/07 RM | 30/09/08 RM | 30/09/07 RM |
| Revenue | 65.254.106 | 70.105.550 | 226.043.758 | 203.081.644 |
| Cost of Sales | (52.554.448) | (59.271.433) | (193.070.711) | (176.558.976) |
| Gross profit | 12.699.658 | 10.834.117 | 32.973.047 | 26.522.668 |
| Other Operating income | 1.039.815 | 448.946 | 3.118.222 | 1.835.777 |
| Administrative expenses excluding finance cost | (5.994.011) | (4.566.032) | (16.258.216) | (13.431.991) |
| Finance cost | (22.063) | (31.715) | (89.562) | (98.660) |
| Profit/(loss) before income tax | 7.723.399 | 6.685.316 | 19.743.491 | 14.827.794 |
| Taxation | (2.975.011) | (2.232.844) | (6.249.095) | (4.676.252) |
| Profit/(loss) for the period from continuing operations | 4.748.388 | 4.452.472 | 13.494.396 | 10.151.542 |
| Attributable to : | | | | |
| Equity holders of the parent | 4.868.157 | 4.537.157 | 13.670.898 | 10.236.227 |
| Minority interests | (119.769) | (84.685) | (176.502) | (84.685) |
| | 4.748.388 | 4.452.472 | 13.494.396 | 10.151.542 |
| Earnings per share attributable to equity holders of the parent : | | | | |
| Basic(based on 68,000,000 ordinary shares)(sen) | 7 | 7 | 20 | 15 |
| Fully diluted (based on 68,000,000 ordinary | 7 | 7 | 20 | 15 |

(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 SEPTEMBER 2008

| | AS AT END OF CURRENT QUARTER ENDED 30/09/08 RM | AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/07 RM |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant & Equipment | 35,495,261 | 34,428,608 |
| Investment Properties | 23,594,000 | 23,594,000 |
| Land held for property development | 37,390,615 | 36,995,206 |
| Intangible Assets | 4,518,235 | 4,868,970 |
| Long Term Investment | 294,525 | 294,525 |
| Deferred Tax assets | 439,332 | 439,332 |
| | <u>101,731,968</u> | <u>100,620,641</u> |
| Current Assets | | |
| Property development costs | 15,825,081 | 26,327,213 |
| Inventories | 636,355 | 567,677 |
| Debtors | 69,431,203 | 86,356,750 |
| Short term investments | 17,729,256 | 9,566,168 |
| Cash and Cash Equivalents | 97,553,546 | 96,081,652 |
| | <u>201,175,441</u> | <u>218,899,460</u> |
| TOTAL ASSETS | <u>302,907,409</u> | <u>319,520,101</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share Capital | 68,000,000 | 68,000,000 |
| Reserves | 116,562,388 | 106,907,250 |
| | <u>184,562,388</u> | <u>174,907,250</u> |
| Shareholders' funds | | |
| Minority Interests | 2,031,407 | 2,155,409 |
| | <u>2,031,407</u> | <u>2,155,409</u> |
| Total equity | <u>186,593,795</u> | <u>177,062,659</u> |
| Non-current liabilities | | |
| Long Term Borrowings | 759,167 | 544,440 |
| Other deferred liabilities | 4,416,826 | 4,125,983 |
| | <u>5,175,993</u> | <u>4,670,423</u> |
| Total non-current liabilities | <u>5,175,993</u> | <u>4,670,423</u> |
| Current Liabilities | | |
| Creditors | 108,906,204 | 134,640,178 |
| Short term borrowings | - | 1,345,000 |
| Provision for taxation | 2,231,417 | 1,801,841 |
| Dividends payables | - | - |
| | <u>111,137,621</u> | <u>137,787,019</u> |
| Total current liabilities | <u>111,137,621</u> | <u>137,787,019</u> |
| Total liabilities | <u>116,313,614</u> | <u>142,457,442</u> |
| TOTAL EQUITY AND LIABILITIES | <u>302,907,409</u> | <u>319,520,101</u> |
| Net assets per share (RM) | <u>2.74</u> | <u>2.60</u> |

*(THE CONDENSED CONSOLIDATED BALANCE SHEET SHOULD BE READ IN
CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR
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 SEPTEMBER 2008**

| | Attributable to Equity Holders of the Parent | | | Total | Minority interest | Total |
|---|--|------------------------|---------------------|--------------------|----------------------|--------------------|
| | Share Capital | Revaluation Reserve | Retained Profits | | | |
| | RM | RM | RM | | | |
| Period ending 30 September 2008 | | | | | | |
| Balance as at 01.01.2008 | 68,000,000 | 3,668,322 | 103,238,928 | 174,907,250 | 2,155,409 | 177,062,659 |
| Acquisition of additional stakes in subsidiaries | | | 9,840 | 9,840 | 52,500 | 62,340 |
| Net profit for the period | | | 13,670,898 | 13,670,898 | (176,502) | 13,494,396 |
| Dividends paid | - | - | (4,025,600) | (4,025,600) | - | (4,025,600) |
| Balance as at 30.09.2008 | <u>68,000,000</u> | <u>3,668,322</u> | <u>112,894,066</u> | <u>184,562,388</u> | <u>2,031,407</u> | <u>186,593,795</u> |
| Period ending 30 September 2007 | | | | | | |
| Balance as at 01.01.2007 | 68,000,000 | 3,329,943 | 90,752,862 | 162,082,805 | 2,071,519 | 164,154,324 |
| Dilution of interest in WASB (WET Air Sdn Bhd) | - | - | - | - | 84,435 | 84,435 |
| Net profit for the period | - | - | 10,235,227 | 10,235,227 | (116,620) | 10,118,607 |
| Dividends paid | | | (3,971,200) | (3,971,200) | - | (3,971,200) |
| Balance as at 30.09.2007 | <u>68,000,000</u> | <u>3,329,943</u> | <u>97,016,889</u> | <u>168,346,832</u> | <u>2,039,334</u> | <u>170,386,166</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 SEPTEMBER 2008**

| | 2008 Period ended 30-Sept RM | 2007 Period ended 30-Sept RM |
|--|---------------------------------------|---------------------------------------|
| Net profit after tax | 13.670.898 | 10.235.227 |
| Adjustments for non-cash flow :- | | |
| Non-cash items | 10.495.152 | 5.518.518 |
| Non-operating items | (91.717) | (576.566) |
| | <hr/> | <hr/> |
| Operating profit before changes in working capital | 24.074.333 | 15.177.179 |
| Changes in working capital : | | |
| Net Change in current assets | 45.040.626 | 35.372.807 |
| Net Change in current liabilities | (42.251.257) | (6.625.288) |
| | <hr/> | <hr/> |
| Net changes in working capital | 2.789.369 | 28.747.519 |
| Tax paid | (5.670.907) | (2.486.368) |
| | <hr/> | <hr/> |
| Net cash flows from operating activities | 21.192.795 | 41.438.330 |
| Investing Activities | | |
| Equity Investments | (10.447.500) | 1.098.046 |
| Other Investments | (2.429.641) | (39.794.886) |
| | <hr/> | <hr/> |
| | (12.877.141) | (38.696.840) |
| Financing Activities | | |
| Dividend paid | (4.025.600) | (3.971.200) |
| Bank borrowings | (2.818.160) | (1.501.630) |
| | <hr/> | <hr/> |
| | (6.843.760) | (5.472.830) |
| Net Change in Cash & Cash Equivalents | 1.471.894 | (2.731.340) |
| Cash & Cash Equivalents at beginning of the year | 96.081.652 | 57.506.123 |
| | <hr/> | <hr/> |
| Cash & Cash Equivalents at end of the period | 97.553.546 | 54.774.783 |

**(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 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.

**Explanatory notes and additional information****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

Dividends paid in the current interim period was as follows:

| | 9 months ended 30 September 2008 | | 9 months ended 30 September 2007 | |
|--|-------------------------------------|-----------------------------|-------------------------------------|---|
| | Gross dividend per share | Gross dividend per share | Gross dividend per share | Amount of dividend net of 27% tax |
| | Sen | Sen | RM'000 | Sen |
| Final dividend approved by shareholders in respect of the year ended 31 December 2007 paid on 4 July 2008 | 8 | 4,025.600 | | |
| Final dividend approved by shareholders in respect of the year ended 31 December 2006 paid on 20 July 2007 | | | 8 | 3,971.200 |

A8 Segment Reporting

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

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> | |
| Construction | 168,106,868 | 33,012,715 | 201,119,583 | 10,757,359 |
| Developments | 45,100,209 | - | 45,100,209 | 11,118,281 |
| Investments | 701,646 | 5,804,250 | 6,505,896 | 4,070,251 |
| Quarrying & trading | 12,135,035 | 174,013 | 12,309,048 | (676,748) |
| | 226,043,758 | 38,990,978 | 265,034,736 | 25,269,143 |
| Consolidation adjustments | - | (38,990,978) | (38,990,978) | (5,436,090) |
| | 226,043,758 | - | 226,043,758 | 19,833,053 |
| Finance cost | | | | (89,562) |
| | | | | 19,743,491 |

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.

**Explanatory notes and additional information****A11 Changes in the Composition of the Group**

- (i) On 16 September 2008, Loh & Loh Constructions Sdn Bhd ("LLCSB"), a wholly owned subsidiary company of Loh & Loh Corporation Berhad ("LLCB"), acquired two thousand four hundred fifty ("2,450") ordinary shares of RM1.00 each of Loh & Loh Sato Kogyo JV Sdn Bhd ("LLSK") representing 49% of the issued and paid up share capital of LLSK from Sato Kogyo Co.Ltd, for a cash consideration of RM1 and pursuant thereto, LLSK has become a wholly owned subsidiary company of LLCSB.
- (ii) On 16 September 2008, Loh & Loh Constructions Sdn Bhd ("LLCSB"), a wholly owned subsidiary company of Loh & Loh Corporation Berhad ("LLCB"), acquired forty ("40") ordinary shares of RM1.00 each of Sepakat Sempurna Sdn Bhd ("SSSB") representing 40% of the issued and paid up share capital of SSSB from Dato' Setia Haji Marzuki Bin Ismaun and Datin Hajjah Ruzina Binti Idris, for a cash consideration of RM1 and pursuant thereto, SSSB has become a wholly owned subsidiary company of LLCSB.

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 | 16,291,144 |
| Projects tendered | RM | 10,000 |



Explanatory notes and additional information

B1 Review of Performance of the Company and its Principal Subsidiaries

For the financial period ended 30 September 2008, the construction and property divisions were the major contributors to the Group's results.

The Group's construction division registered a lower revenue of RM 168.11 million and profit before taxation of RM 10.76 million as compared to a revenue of RM 188.47 million and profit before taxation of RM 13.42 million for the financial period ended 30 September 2007, mainly due a lower level of construction activities from the existing jobs secured as those jobs are nearing to completion.

However, the Group's property division generated a revenue of RM 45.10 million and profit before tax of RM 11.12 million for the financial period ended 30 September 2008.

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

The Group's revenue for the third quarter of 2008 decreased to RM 65.25 million as compared to revenue of RM 89.00 million but profit before taxation for the third quarter increased marginally to RM 7.72 million as compared to profit before taxation of RM 7.63 million in the preceding quarter due to higher contribution from 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 |
|-------------------------------|-------------------------|---------------------------------------|
| | 30/09/08 RM'000 | 30/09/08 RM'000 |
| Current year | 2,460 | 5,967 |
| Under/(over) provision of tax | 1 | (9) |
| Deferred taxation | 514 | 291 |
| Total tax expense | <hr/> 2,975 | <hr/> 6,249 |



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 30/09/08 % | Cumulative Current Year To date 30/09/08 % |
|--|--|--|
| Statutory tax rate | 26.00 | 26.00 |
| Expenses not deductible for tax purposes | 12.91 | 7.04 |
| Non-taxable income | (0.39) | (1.39) |
| Overprovision of tax in prior year | | |
| Average effective tax rate | <u>38.52</u> | <u>31.65</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 | 923 | 4,013 |
| Total disposals | 1,269 | 3,677 |
| Total profit/(loss) on disposals | (13) | 152 |

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

| | RM'000 |
|--|--------------|
| Total investments at cost | 5,986 |
| Provision for diminution in value | (1,831) |
| Total investments at carrying value/book value | <u>4,155</u> |
| Total investments at market value | <u>4,155</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 September 2008.

B10 Off Balance Sheet Financial Instruments

The Group had the following outstanding foreign exchange forward contract to hedge foreign currency purchases as at 19 November 2008:-

| Type of Currency | Amount | Ringgit Equivalent | Maturity date |
|------------------|---------|--------------------|------------------|
| SEK | 546,800 | 289,804 | 28 November 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 September 2008.

B13 Earnings per share

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

- the Group net profit for the reporting period attributable to ordinary shareholders of RM 13.67 million; and
- 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
CHUA SIEW CHUAN
COMPANY SECRETARY
MAICSA 0777689
Kuala Lumpur
Date: 26 November 2008