



QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2006**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR ENDED
	31/12/06 RM'000	31/12/05 RM'000	31/12/06 RM'000	31/12/05 RM'000
Revenue	96,110	46,875	214,548	138,387
Cost of Sales	(85,199)	(38,503)	(186,981)	(114,240)
Gross profit	10,911	8,372	27,567	24,147
Other Operating income	642	79	1,437	710
Administrative expenses excluding finance cost	(6,479)	(5,937)	(17,084)	(16,146)
Finance cost	(31)	(23)	(104)	(64)
Reserve on consolidation * credited to income statement	(7)	-	3,738	-
Profit/(loss) before income tax	5,036	2,491	15,554	8,647
Taxation	(1,087)	(1,462)	(2,892)	(3,405)
Profit/(loss) for the period from continuing operations	3,949	1,029	12,662	5,242
Attributable to :				
Equity holders of the parent	3,827	1,088	12,607	5,300
Minority interests	122	(59)	55	(58)
	3,949	1,029	12,662	5,242
Earnings per share attributable to equity holders of the parent :				
Basic(based on 68,000,000 ordinary shares)(sen)	5.63	1.60	18.54	7.79
Fully diluted (based on 68,000,000 ordinary shares)(sen)	5.63	1.60	18.54	7.79

* The reserve on consolidation credited to income statement of RM3.738 million was based on a provisional valuation carried out on the acquisition of the Ladang Impian Group during the financial year.

(THE CONDENSED CONSOLIDATED INCOME STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2005)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006**

	AS AT END OF CURRENT QUARTER ENDED 31/12/06 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/05 RM'000
ASSETS		
Non-current assets		
Property, Plant & Equipment	38,477	23,679
Investment Properties	23,041	23,041
Intangible Assets	5,195	193
Development expenditure	21,422	21,164
Long Term Investment	1,306	12,283
Deferred Tax assets	185	166
	<u>89,626</u>	<u>80,526</u>
Current Assets		
Inventories	732	514
Debtors	91,370	95,882
Short term investments	13,236	7,003
Cash and Cash Equivalents	57,441	28,078
	<u>162,779</u>	<u>131,477</u>
TOTAL ASSETS	<u>252,405</u>	<u>212,003</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	68,000	68,000
Reserves	94,002	84,230
Shareholders' funds	<u>162,002</u>	<u>152,230</u>
Minority Interests	2,122	641
Total equity	<u>164,124</u>	<u>152,871</u>
Non-current liabilities		
Long Term Borrowings	1,406	950
Other deferred liabilities	4,400	3,372
Total non-current liabilities	<u>5,806</u>	<u>4,322</u>
Current Liabilities		
Creditors	81,118	54,399
Short term borrowings	-	-
Provision for taxation	1,357	411
Dividends payables	-	-
Total current liabilities	<u>82,475</u>	<u>54,810</u>
Total liabilities	<u>88,281</u>	<u>59,132</u>
TOTAL EQUITY AND LIABILITIES	<u>252,405</u>	<u>212,003</u>
Net assets per share (RM)	<u>2.38</u>	<u>2.24</u>

(THE CONDENSED CONSOLIDATED BALANCE SHEET SHOULD BE READ IN
CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR
ENDED 31 DECEMBER 2005)

**LOH & LOH***Corporation Berhad* (389765 V)*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2006**

	Attributable to Equity Holders of the Parent				Minority interest	Total
	Share Capital	Revaluation Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000		
Year ending 31 December 2006						
Balance as at 01.01.2006	68,000	8,629	75,601	152,230	641	152,871
Dilution of shareholdings in WASB (WET Air Sdn Bhd)	-		(55)	(55)	55	-
Reserve on consolidation credited to income statement			3,738	3,738		3,738
Reserves on revaluation of property, plant & equipment in the year 2006		1,137		1,137		1,137
Net profit for the period			8,869	8,869	55	8,924
MI arising from acquisition of companies during the year					1,371	1,371
Dividends paid			(3,917)	(3,917)		(3,917)
Balance as at 31.12.2006	68,000	9,766	84,236	162,002	2,122	164,124
Period ending 31 December 2005						
Balance as at 01.01.2005	68,000	8,629	74,218	150,847	699	151,546
Net profit for the period			5,300	5,300	(58)	5,242
Dividends paid			(3,917)	(3,917)	-	(3,917)
Balance as at 31.12.2005	68,000	8,629	75,601	152,230	641	152,871

**(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN
CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2005)**



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2006**

	2006 Period ended 31-Dec RM'000	2005 Period ended 31-Dec RM'000
Net profit after tax	12,607	5,300
Adjustments for non-cash flow :-		
Non-cash items	(901)	6,764
Non-operating items	(751)	(1,779)
Operating profit before changes in working capital	10,955	10,285
Changes in working capital :		
Net Change in current assets	8,719	(12,745)
Net Change in current liabilities	21,580	11,392
Net changes in working capital	30,299	(1,353)
Tax paid	(2,176)	(4,113)
Net cash flows from operating activities	39,078	4,819
Investing Activities		
Equity Investments	6,541	(94)
Other Investments	(10,826)	(20,600)
	(4,285)	(20,694)
Financing Activities		
Dividend paid	(3,917)	(3,917)
Bank borrowings	(1,513)	(696)
	(5,430)	(4,613)
Net Change in Cash & Cash Equivalents	29,363	(20,488)
Cash & Cash Equivalents at beginning of the year	28,078	48,566
Cash & Cash Equivalents at end of the period	57,441	28,078

**(THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT SHOULD BE
READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED 31 DECEMBER 2005)**



Interim Financial Reporting for the year ended 31 December 2006

A1 Accounting policies

The interim financial report of the Group is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). 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 2005 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for the financial period beginning on 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant & Equipment
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 102, 108, 110, 116, 127, 132, 133, 136, 138 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new or revised FRS is summarized as below:

FRS 3 : Business Combination, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequently reversal is not allowed. Prior to 1 January 2006, goodwill was amortised on a straight line basis over its estimated useful life. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to "reserve on consolidation"), after reassessment, is now recognised immediately to income statement. Prior to 1 January 2006, reserve on consolidation are taken to reserves in the year of acquisition.

FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of the condensed consolidated income statements, balance sheets and statement of changes in equity with additional disclosure on the amount attributable to equity holders of the parent Company, and statements of changes in equity also showing total recognised income and expense for the period

The current period's presentation of the Group's financial statements is based on the requirements of the revised FRS 101, with the comparative restated to conform with the current period's presentation.



Interim Financial Reporting for the year ended 31 December 2006

A2 Audit qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2005 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

There were no dividends paid in the current interim period.

A8 Segment Reporting

The segment revenue and segment results for the financial period ended 31 December 2006 :

Analysis by business segments

Segments

Construction
Investments
Quarrying & trading

Consolidation adjustments

	<i>Revenue</i>		
	<i>External RM'000</i>	<i>Internal RM'000</i>	<i>Total RM'000</i>
Construction	200,469	18,695	219,164
Investments	1,285	5,930	7,215
Quarrying & trading	12,794	6,751	19,545
	214,548	31,376	245,924
Consolidation adjustments	-	(31,376)	(31,376)
	214,548	-	214,548

Finance cost

Reserve on consolidation credited to
income statement



Interim Financial Reporting for the year ended 31 December 2006

A9 Valuation of Property, Plant and Equipment

The freehold land and building which form part of the Group's property, plant & equipment were revalued at RM 4.2 million at the end of financial year 2006. The valuation gave rise to a revaluation reserves of RM1.14 million.

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

- (i) On 17 February 2006, Loh & Loh Corporation Berhad ("LLCB") acquired two ("2") ordinary shares of RM1.00 each of Central Icon Sdn Bhd ("CISB") representing 100% of the issued and paid up share capital of CISB for a cash consideration of RM2.00 and pursuant thereto, CISB has become a wholly owned subsidiary company of LLCB.
- (ii) On 7 June 2006, Loh & Loh Constructions Sdn Bhd ("LLCSB"), a wholly owned subsidiary company of LLCB acquired sixty ("60") ordinary shares of RM1.00 each of Sepakat Sempurna Sdn Bhd ("SSSB") representing 60% of the issued and paid up share capital of SSSB for a cash consideration of RM60.00 and pursuant thereto, SSSB has become a subsidiary company of LLCSB.
- (iii) On 1 July 2006, Water Engineering Technology Sdn Bhd ("WET"), a wholly-owned subsidiary company of LLCB issue additional seventy thousand ("70,000") ordinary shares of RM1.00 each in WET Air Sdn Bhd ("WASB") to Air Pollution Control Engineering Sdn Bhd ("APCE") representing 25.93% of the issued and paid up capital of WASB for a cash consideration of RM70,000 pursuant to the joint venture agreement entered on 22 June 2004 between WET, APCE, Yap Kam Biow and John Henning De Kock. With the issuance, the enlarged issued and paid up share capital of WASB is 270,000 ordinary shares and WET effectively control 74.07% of the issued and paid up capital of WASB.
- (iv) On 13 September 2006, the Settlement Agreement entered into between LLCB and its wholly owned subsidiary companies, WET and CISB with Wong Swee Huat ("WSH"), a shareholder of Ladang Impian Sdn Bhd ("LISB") and Pasarakat Sdn Bhd ("PSB") was completed. With the completion of the Settlement Agreement, LISB and its subsidiary companies become wholly owned subsidiary of CISB. LLCB in turn effectively owned 90% of CISB while the remaining 10% of CISB is held by WSH.

A12 Changes in Contingent Liabilities and Contingent Assets

The changes in contingent liabilities since 31 December 2005 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 9.4 million
Projects tendered	RM 0.1 million
Advance payment bond	RM 18.0 million

<i>Results</i> <i>RM'000</i>
9,096
7,862
251
17,209
(5,289)
11,920
(104)
3,738
15,554



Explanatory notes

B1 Review of Performance of the Company and its Principal Subsidiaries

For the financial year ended 31 December 2006, the Group recorded a revenue of RM 214.55 million and profit before taxation of RM 15.55 million as compared to a revenue of RM 138.39 million and profit before taxation of RM 8.65 million for the financial year ended 31 December 2005. The revenue and profit before taxation for the financial year ended 31 December 2006 increased as compared to the preceding year corresponding period due to a higher level of construction activities from jobs secured in 2005 and first quarter of 2006. The increase in profit before taxation for the financial year under review was also due to the acquisition during the year that gave rise to reserve on consolidation amounted to RM3.74 million which was immediately credited to the income statement as required by FRS 3: Business Combination.

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

The Group's revenue for the fourth quarter of 2006 increased to RM 96.11 million as compared to revenue of RM 44.77 million in the preceding quarter mainly due to higher level of construction activities from projects secured in 2005 and first quarter of 2006. This is reflected in a higher gross profit of RM10.91 million as compared to RM6.58 million in the preceding quarter.

However, the profit before taxation for the fourth quarter of 2006 decreased to RM5.04 million as compared to profit before taxation of RM 6.45 million in the preceding quarter mainly due to increase in staff cost ie provision for bonus for year 2006 in the fourth quarter and reserve on consolidation of RM 3.74 million which was immediately credited to income statement in the preceding quarter.

B3 Prospects

Despite the challenges of intense competition and rising material costs facing the construction sector, the Board is optimistic that more construction projects especially water related projects under the Ninth Malaysian Plan will be implemented in 2007. Overall, the Board is confident that the results for 2007 will be better than 2006 based on the existing order book

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
	31/12/06 RM'000	31/12/06 RM'000
Current year	1,566	3,354
Under/(over) provision of tax	(128)	(128)
Deferred taxation	(431)	(414)
Real property gain tax	80	80
Total tax expense	1,087	2,892



Explanatory notes

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

	Current Year Quarter 31/12/06 %	Cumulative Current Year To date 31/12/06 %
Statutory tax rate	28.00	28.00
Expenses not deductible for tax purposes	0.47	2.09
Non-taxable income	(4.40)	(10.68)
Overprovision of tax in prior year	(2.49)	(0.82)
Average effective tax rate	<u>21.58</u>	<u>18.59</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 year to date and profit/(loss) arising therefrom are as follows:

	Current Year Quarter RM'000	Cumulative Current Year To Date RM'000
Total purchases	727	2,391
Total disposals	416	2,224
Total profit/(loss) on disposals	35	(81)

(b) Total investments in quoted shares as at 31 December 2006 are as follows :-

	RM'000
Total investments at cost	6,841
Provision for diminution in value	(718)
Total investments at carrying value/book value	<u>6,123</u>
Total investments at market value	<u>6,123</u>



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

Explanatory notes

B8 Corporate Proposals

On 17 May 2006, the Company and its wholly owned subsidiaries, Water Engineering Technology Sdn Bhd (“WET”) and Central Icon Sdn Bhd (“CI”) entered into a Settlement Agreement (“STA”) with Wong Seng Huat (“WSH”) representing himself and other shareholders of Ladang Impian Sdn Bhd (“LISB”) and Pasarakyat Sdn Bhd.

The Settlement Agreement was completed on 13 September 2006.

B9 Group Borrowings and Debt Securities

Other than hire purchase commitments, the Group has no borrowings, in Ringgit Malaysia, as at 31 December 2006.

B10 Off Balance Sheet Financial Instruments

The Group had the following outstanding foreign exchange forward contract to hedge foreign currency purchases as at 20 February 2007:-

Type of Currency	Amount	Ringgit Equivalent	Maturity date
EUR	286,226	1,329,520	28 February 2007
EUR	300,750	1,426,758	28 February 2007
USD	57,324	202,983	30 March 2007
USD	75,368	266,893	30 March 2007
USD	83,814	296,802	30 March 2007
USD	373,968	1,319,583	13 April 2007
NZD	260,000	614,614	30 April 2007
EUR	122,663	587,249	30 May 2007
SEK	5,468,000	2,881,636	11 June 2007
GBP	59,747	407,891	30 July 2007



Explanatory notes

B11 Changes in Material Litigation

As reported in the previous quarter, the status of the material litigation of the Group is as follows:-

A. Writ of Summons No.D5-22-375-93 dated 13 May 1993

Suit filed by Loh & Loh Constructions Sdn Bhd (“LLCSB”), a wholly owned subsidiary, against:

- i) Quota Innovations Sdn Bhd (“QISB”) for breach of Contract Agreement;
- ii) QISB’s directors for breach of guarantee;
- iii) Kassim Chan Management Services Sdn Bhd (KCMS) (8th Defendant) for breach of duty of care towards LLCSB

Against Guarantors:-

- i) Before the Judicial Commissioner of Ipoh High Court, LLCSB and the Judgement Debtors, Lam Hoi Song and Lam Hong Chang, agreed a sum of RM257,500.00 (total payment from both Judgement Debtors) to be paid to LLCSB as full and final settlement of LLCSB’s claim against the Judgement Debtors. To this matter the Judgement Debtors are required to withdraw their applications to set aside the Arbitrator’s Interim Award and not to challenge the arbitration award and resulting judgement irrespective of the matter in which the proceeding may turn out in relation to the other Judgement Debtors in Kuala Lumpur High Court Suit No:D5-22-375-1993 and other applicants in the Original Motion No:25-2-2005.

The said full and final settlement sum has been received by LLCSB and the matter has been settled out of Court.

QISB and the directors’ application to set aside the Arbitrator’s Interim Award has also been struck off by the Court due to directors’ (namely Leong Yoke Luen, Woon Mooi, Leong Hong Min and Lai Man Fatt) solicitors failed to attend Court on 19 May 2006.

- ii) In the High Court case against KCMS, the Court upheld KCMS’s defence. LLC has filed Record of Appeal to the Appeal Court on 6 January 2006 and is now awaiting for the Appeal Court to fix a Hearing date.

B12 Dividend

- a)
 - i) The Board of Directors has recommended a final dividend for the financial year 31 December 2006
 - ii) Amount per share : 8 sen less 28% income tax
 - iii) Previous corresponding period : 8 sen less 28% income tax (final)
 - iv) Date payable : To be determined later
 - v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors at a date to be determined later.
- b) Total dividend per share for the current financial year to date : NIL



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Explanatory notes

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 12.61 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 February 2007



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

Explanatory notes

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