



LOH & LOH Corporation Berhad
(Incorporated in Malaysia,

(389765 V)

QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2008**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR ENDED
	31/12/08 RM	31/12/07 RM	31/12/08 RM	31/12/07 RM
Revenue	80,873,602	89,817,934	306,917,360	292,899,578
Cost of Sales	(60,940,164)	(74,263,553)	(254,010,875)	(250,822,529)
Gross profit	19,933,438	15,554,381	52,906,485	42,077,049
Other Operating income	1,960,404	1,594,012	5,078,626	3,429,789
Administrative expenses excluding finance cost	(8,770,053)	(8,565,492)	(25,028,269)	(21,997,483)
Finance cost	(18,367)	(28,296)	(107,929)	(126,956)
Profit/(loss) before income tax	13,105,422	8,554,605	32,848,913	23,382,399
Taxation	(3,723,569)	(2,165,859)	(9,972,664)	(6,842,111)
Profit/(loss) for the period from continuing operations	9,381,853	6,388,746	22,876,249	16,540,288
Attributable to :				
Equity holders of the parent	9,513,628	6,465,052	23,064,757	16,531,909
Minority interests	(131,775)	(76,306)	(188,508)	8,379
	9,381,853	6,388,746	22,876,249	16,540,288
Earnings per share attributable to equity holders of the parent :				
Basic(based on 68,000,000 ordinary shares)(sen)	13.99	9.51	33.92	24.31
Fully diluted (based on 68,000,000 ordinary	13.99	9.51	33.92	24.31

**(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 31 DECEMBER 2008**

	AS AT END OF CURRENT QUARTER ENDED 31/12/08 RM	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/07 RM
ASSETS		
Non-current assets		
Property, Plant & Equipment	43,393,399	34,428,608
Investment Properties	15,066,927	23,594,000
Land held for property development	-	36,995,206
Intangible Assets	4,401,323	4,868,970
Long Term Investment	294,525	294,525
Deferred Tax assets	538,305	439,332
	<u>63,694,479</u>	<u>100,620,641</u>
Current Assets		
Property development costs	52,337,351	26,327,213
Inventories	581,534	567,677
Debtors	90,024,902	86,356,750
Short term investments	69,705,592	9,566,168
Cash and Cash Equivalents	52,532,102	96,081,652
	<u>265,181,481</u>	<u>218,899,460</u>
TOTAL ASSETS	<u>328,875,960</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	125,956,239	106,907,250
Shareholders' funds	<u>193,956,239</u>	<u>174,907,250</u>
Minority Interests	2,019,401	2,155,409
Total equity	<u>195,975,640</u>	<u>177,062,659</u>
Non-current liabilities		
Long Term Borrowings	622,778	544,440
Other deferred liabilities	3,304,371	4,125,983
Total non-current liabilities	<u>3,927,149</u>	<u>4,670,423</u>
Current Liabilities		
Creditors	122,586,742	134,640,178
Short term borrowings	-	1,345,000
Provision for taxation	6,386,429	1,801,841
Dividends payables	-	-
Total current liabilities	<u>128,973,171</u>	<u>137,787,019</u>
Total liabilities	<u>132,900,320</u>	<u>142,457,442</u>
TOTAL EQUITY AND LIABILITIES	<u>328,875,960</u>	<u>319,520,101</u>
Net assets per share (RM)	<u>2.88</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 31 DECEMBER 2008**

	Attributable to Equity Holders of the Parent			Total	Minority interests	Total
	Share Capital	Revaluation Reserve	Retained Profits			
	RM	RM	RM	RM	RM	RM
Period ending 31 December 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			9,832	9,832	-	9,832
Dilution arising from issue of additional shares in subsidiary			-	-	52,500	52,500
Arising from reclassification of investment property to property, plant & equipment		553,463	(553,463)	-	-	-
Net profit for the period	-	-	23,064,757	23,064,757	(188,508)	22,876,249
Dividends paid			(4,025,600)	(4,025,600)	-	(4,025,600)
Balance as at 31.12.2008	68,000,000	4,221,785	121,734,454	193,956,239	2,019,401	195,975,640
Period ending 31 December 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
Deferred tax adjustment on revaluation reserves	-	338,379	-	338,379	-	338,379
Deferred tax adjustment on investment properties	-		(51,632)	(51,632)		(51,632)
Dilution arising from issue of additional shares in subsidiary			(23,011)	(23,011)	75,511	52,500
Net profit for the period			16,531,909	16,531,909	8,379	16,540,288
Dividends paid			(3,971,200)	(3,971,200)		(3,971,200)
Balance as at 31.12.2007	68,000,000	3,668,322	103,238,928	174,907,250	2,155,409	177,062,659

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2008**

	2008 Period ended 31-Dec RM	2007 Period ended 31-Dec RM
Net profit after tax	23,064,757	16,531,909
Adjustments for non-cash flow :-		
Non-cash items	13,642,499	9,398,342
Non-operating items	(172,040)	(2,370,786)
	<hr/>	<hr/>
Operating profit before changes in working capital	36,535,216	23,559,465
Changes in working capital :		
Net Change in current assets	30,185,248	(41,225,635)
Net Change in current liabilities	(28,616,354)	94,300,043
	<hr/>	<hr/>
Net changes in working capital	1,568,894	53,074,408
Tax paid	(11,744,461)	(5,006,561)
	<hr/>	<hr/>
Net cash flows from operating activities	26,359,649	71,627,312
Investing Activities		
Equity Investments	(60,305,500)	8,419,431
Other Investments	(2,298,026)	(36,981,301)
	<hr/>	<hr/>
	(62,603,526)	(28,561,870)
Financing Activities		
Dividend paid	(4,025,600)	(3,971,200)
Bank borrowings	(3,280,073)	(518,713)
	<hr/>	<hr/>
	(7,305,673)	(4,489,913)
Net Change in Cash & Cash Equivalents	(43,549,550)	38,575,529
Cash & Cash Equivalents at beginning of the year	96,081,652	57,506,123
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Cash & Cash Equivalents at end of the period	52,532,102	96,081,652

**(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

The Group has changed the method of depreciation from diminishing balance to straight-line, to be in line with the accounting policy of holding company, UBG Berhad. The financial effect of the change in depreciation method will be a reduction in depreciation charge for the year of RM 1,015,765.

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 31 December 2008 :

Analysis by business segments

<i>Segments</i>	<i>Revenue</i>			<i>Results</i> <i>RM</i>
	<i>External</i> <i>RM</i>	<i>Internal</i> <i>RM</i>	<i>Total</i> <i>RM</i>	
Construction	227,536,684	46,223,889	273,760,573	20,847,346
Property development	62,238,531	-	62,238,531	15,688,654
Investments	387,485	5,930,250	6,317,735	2,906,806
Quarrying & trading	16,754,660	1,145,717	17,900,377	(1,030,507)
	306,917,360	53,299,856	360,217,216	38,412,299
Consolidation adjustments	-	(53,299,856)	(53,299,856)	(5,455,457)
	306,917,360	-	306,917,360	32,956,842
Finance cost				(107,929)
				32,848,913

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

- (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	16,341,144
Projects tendered	RM	2,685,250



Explanatory notes and additional information

B1 Review of Performance of the Company and its Principal Subsidiaries

For the financial year ended 31 December 2008, the construction and property divisions were the major contributors to the Group's results.

The Group's construction division registered a revenue of RM 227.54 million and profit before taxation of RM 20.85 million for the financial year ended 31 December 2008, as compared to a revenue of RM 271.64 million and profit before taxation of RM 19.02 million in the preceding financial year, mainly due to lower level of construction activities from the existing jobs secured as those jobs are nearing to completion.

However, the Group's property development division generated a higher revenue of RM 62.24 million and profit before tax of RM 15.69 million for the financial year ended 31 December 2008, as compared to a revenue of RM11.43 million and profit before taxation of RM 3.49 million in the preceding financial year.

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

The Group generated higher revenue of RM 80.87 and profit before taxation of RM13.10 million for the fourth quarter of 2008 as compared to revenue of RM 65.25 million and profit before taxation of RM 7.72 million for the preceding quarter due to higher contribution from construction and property divisions.

B3 Prospects

The Board is optimistic that the results for 2009 will be satisfactory based on the existing order book and potential new contracts.

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
	31/12/08 RM'000	31/12/08 RM'000
Current year	4,901	10,868
Under/(over) provision of tax	34	25
Deferred taxation	(1,211)	(921)
Total tax expense	<u>3,724</u>	<u>9,972</u>



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 31/12/08 %	Cumulative Current Year To date 31/12/08 %
Statutory tax rate	26.00	26.00
Expenses not deductible for tax purposes	5.46	9.52
Non-taxable income	(0.27)	(1.96)
Deferred tax benefits not recognised	(3.67)	(3.45)
Overprovision of tax in prior year	0.89	0.25
Average effective tax rate	28.41	30.36

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	698	4,711
Total disposals	1,471	5,148
Total profit/(loss) on disposals	(442)	(290)

(b) Total investments in quoted shares as at 31 December 2008 are as follows :-

	RM'000
Total investments at cost	4,984
Provision for diminution in value	(2,050)
Total investments at carrying value/book value	2,934
Total investments at market value	2,934



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 31 December 2008.

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 2009:-

Type of Currency	Amount	Ringgit Equivalent	Maturity date
SEK	546,800	248,794	28 February 2009
GBP	17,922	90,675	30 March 2009
GBP	19,127	103,809	29 May 2009

B11 Changes in Material Litigation

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

B12 Dividend

- a) i) The Board of Directors has recommended a final dividend for the financial year 31 December 2008
- ii) Amount per share : 10 sen less 25% income tax
- iii) Previous corresponding period : 8 sen less 26% 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

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 23.06 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
CHUA SIEW CHUAN
COMPANY SECRETARY
MAICSA 0777689
Kuala Lumpur
Date: 26 February 2009