

**BOLTON BERHAD**  
(Company No. 5572-H)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME**  
**STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2006**

|  | <b>1st quarter<br/>3 months<br/>ended<br/>30/06/2006<br/>RM'000</b> | <b>Cumulative quarter<br/>3 months<br/>ended<br/>30/06/2006<br/>RM'000</b> |
|--|---|--|
| Revenue  | 71,757  | 71,757   |
| Development costs recognised as expense                      | (42,163)  | (42,163)   |
| Changes in inventories and consumables used                  | (4,728)   | (4,728)  |
| Other operating income                                       | 600   | 600  |
| Staff costs  | (3,863)   | (3,863)  |
| Depreciation and amortisation                                | (1,324)   | (1,324)  |
| Other expenses   | (4,859)   | (4,859)  |
| Profit from operations                                       | 15,420  | 15,420   |
| Finance costs  | (5,464)   | (5,464)  |
| Other investing activities results                           | 119   | 119  |
| Share of results of associates and jointly controlled entity | 648   | 648  |
| Profit before tax  | 10,723  | 10,723   |
| Taxation   | (3,607)   | (3,607)  |
| Profit for the period  | 7,116   | 7,116  |

Attributable to :

|                              |              |              |
|------------------------------|--------------|--------------|
| Equity holders of the parent | 6,053        | 6,053        |
| Minority interests           | 1,063        | 1,063        |
|                              | <u>7,116</u> | <u>7,116</u> |
| EPS - basic (sen)            | <u>1.90</u>  | <u>1.90</u>  |

Note : There are no comparative figures as the Group changed its financial year end from 31 December to 31 March during the preceding financial period under review.

**(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the period ended 31 March 2006)**

**BOLTON BERHAD**  
(Company No. 5572-H)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS AT 30 JUNE 2006**

|  | As at<br>30/06/2006 | As at<br>31/03/2006<br>restated |
|--|---------------------|---------------------------------|
|  | RM'000              | RM'000                          |
| <b>ASSETS</b>  |                     |                                 |
| <b>Non Current Assets</b>                              |                     |                                 |
| Property, Plant and Equipment                          | 41,372              | 42,218                          |
| Investment Properties                                  | 95,074              | 95,400                          |
| Land held for development                              | 4,180               | 4,097                           |
| Land held for sale                                     | 42,971              | 42,971                          |
| Investment in associates and jointly controlled entity | 211,415             | 210,768                         |
| Other investments                                      | 72,082              | 72,082                          |
| Goodwill/(Negative Goodwill) on consolidation          | 8,658               | (4,562)                         |
| Prepaid lease payments                                 | 5,221               | 5,236                           |
|  | <hr/> 480,973       | <hr/> 468,210                   |
| <b>Current Assets</b>                                  |                     |                                 |
| Development properties                                 | 181,294             | 212,576                         |
| Inventories  | 15,573              | 17,133                          |
| Trade and other receivables                            | 75,331              | 53,216                          |
| Short term investments                                 | 2,884               | 2,797                           |
| Tax recoverable  | 12,127              | 18,106                          |
| Cash and cash equivalents                              | 36,411              | 26,075                          |
|  | <hr/> 323,620       | <hr/> 329,903                   |

|  |                |                |
|--|----------------|----------------|
| <b>TOTAL ASSETS</b>  | <u>804,593</u> | <u>798,113</u> |
| <b>EQUITY AND LIABILITIES</b>                              |                |                |
| <b>Equity attributable to equity holders of the parent</b> |                |                |
| Share Capital  | 320,343        | 320,343        |
| Share Premium  | 244,792        | 244,792        |
| Other reserves   | 24,654         | 24,654         |
| Accumulated Losses   | (261,820)      | (281,093)      |
| Shareholders' equity                                       | <u>327,969</u> | <u>308,696</u> |
| Treasury shares  | (1,583)        | (848)          |
| Minority Interests   | 19,194         | 18,131         |
| Total equity   | <u>345,580</u> | <u>325,979</u> |
| <b>Non Current Liabilities</b>                             |                |                |
| Long Term Borrowings                                       | 183,418        | 192,934        |
| Long term payables   | 2,771          | 2,771          |
| Deferred taxation  | 2,867          | 2,867          |
|  | <u>189,056</u> | <u>198,572</u> |
| <b>Current Liabilities</b>                                 |                |                |
| Trade and other payables                                   | 45,499         | 56,415         |
| Provision for liabilities                                  | 60,000         | 60,000         |
| Borrowings   | 164,458        | 157,147        |
|  | <u>269,957</u> | <u>273,562</u> |
| Total Liabilities  | <u>459,013</u> | <u>472,134</u> |

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| <b>TOTAL EQUITY AND LIABILITIES</b> | <u>804,593</u> | <u>798,113</u> |
|-------------------------------------|----------------|----------------|

|   |             |             |
|---|-------------|-------------|
| Net Assets per share attributable to<br>Equity Holders of the Parent (RM) | <u>1.03</u> | <u>0.96</u> |
|---|-------------|-------------|

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited Financial Statements for the period ended 31 March 2006)**

**BOLTON BERHAD**  
 (Company No. 5572-H)  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2006**

|                                  | -----Attributable to Equity Holders of the Parent----- |                |                |                 |                      | <u>Treasury</u> | <u>Minority</u> | <u>Total</u>  |                  |               |                 |               |
|----------------------------------|--|----------------|----------------|-----------------|----------------------|-----------------|-----------------|---------------|------------------|---------------|-----------------|---------------|
|                                  | -----Non-distributable-----                            |                | <u>Capital</u> | <u>Exchange</u> | <u>Distributable</u> |                 |                 |               | <u>Sub-total</u> | <u>Shares</u> | <u>Interest</u> | <u>Equity</u> |
|                                  | <u>Share</u>   | <u>Share</u>   |                |                 |                      |                 |                 |               |                  |               |                 |               |
| <u>Capital</u>                   | <u>Premium</u>   | <u>Reserve</u> | <u>Reserve</u> | <u>Losses</u>   |                      |                 |                 |               |                  |               |                 |               |
|                                  | <u>RM'000</u>  | <u>RM'000</u>  | <u>RM'000</u>  | <u>RM'000</u>   | <u>RM'000</u>        | <u>RM'000</u>   | <u>RM'000</u>   | <u>RM'000</u> |                  |               |                 |               |
| At 1 April 2006 :                |  |                |                |                 |                      |                 |                 |               |                  |               |                 |               |
| - as previously reported         | 320,343  | 244,792        | 24,872         | (218)           | (281,093)            | 308,696         | (848)           | 18,131        | 325,979          |               |                 |               |
| - effect of adoption of<br>FRS 3 |  |                |                |                 | 13,220               | 13,220          |                 |               | 13,220           |               |                 |               |
|                                  |  |                |                |                 |                      |                 |                 |               | -                |               |                 |               |
| - as restated                    | 320,343  | 244,792        | 24,872         | (218)           | (267,873)            | 321,916         | (848)           | 18,131        | 339,199          |               |                 |               |
| Movements during the period      | -  | -              | -              | -               | 6,053                | 6,053           | (735)           | 1,063         | 6,381            |               |                 |               |
| At 30 June 2006                  | 320,343  | 244,792        | 24,872         | (218)           | (261,820)            | 327,969         | (1,583)         | 19,194        | 345,580          |               |                 |               |

Note : There are no comparative figures as the Group changed its financial year end from 31 December to 31 March during the preceding financial period under review.

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statements for the period ended 31 March 2006)**

**BOLTON BERHAD**  
(Company No. 5572-H)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2006**

|   | <b>3 months<br/>ended<br/>30/06/2006<br/>RM'000</b> |
|---|---|
| Profit before tax                                   | 10,723  |
| Adjustment for non-cash flow :-                     |   |
| Non-cash items                                      | 1,324   |
| Non-operating items (which are investing/financing) | (888)   |
|   | <hr/>   |
| Operating profit before changes in working capital  | 11,159  |
| Changes in working capital                          |   |
| Net change in current assets                        | 10,741  |
| Net change in liabilities                           | (10,924)  |
| Land held for development                           | (83)  |
| Taxation refund                                     | 2,372   |
|   | <hr/>   |
| Net cash flows from operating activities            | <u>13,265</u>                                       |
| Investing Activities                                |   |
| - Property, plant and equipments                    | (152)   |
| - Equity investments                                | (735)   |
| - Other investments                                 | 155   |
|   | <hr/>   |
|   | <u>(732)</u>  |
| Financing Activities                                |   |
| - Bank borrowings                                   | (3,728)   |
|   | <hr/>   |
|   | <u>(3,728)</u>                                      |
| Net Change in Cash and Cash Equivalents             | 8,805   |

|  |               |
|--|---------------|
| Cash and Cash Equivalents at beginning of period                       | 23,328        |
|  | <hr/>         |
| Cash and Cash Equivalents at end of period                             | <u>32,133</u> |
| Analysis of cash and cash equivalents at end of the financial period : |               |
| Cash and bank balances   | 21,176        |
| Deposits with licenced financial institutions                          | 15,235        |
| Bank overdrafts  | (4,278)       |
|  | <hr/>         |
|  | <u>32,133</u> |

Note : There are no comparative figures as the Group changed its financial year end from 31 December to 31 March during the preceding financial period under review.

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited Financial Statements for the period ended 31 March 2006)**



**BOLTON BERHAD (5572-H)**

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 30 June 2006

**Explanatory Notes****A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the period ended 31 March 2006.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements except for the adoption of the new or revised Financial Reporting Standards (FRSs) effective for financial periods beginning 1 January 2006.

The adoption of the new or revised FRSs does not have significant financial impact on the Group except as disclosed below :

(a) FRS 3 : Business Combinations, FRS 136 : Impairment of Assets and FRS 138 : Intangible Assets

Prior to 1 April 2006, goodwill was stated at cost less accumulated amortisation. Goodwill was amortised over its weighted average useful life. With effect from 1 April 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises goodwill. Goodwill is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

The new policy in respect of goodwill has been applied prospectively in accordance with the transitional arrangements under FRS 3. As a result, comparative figures have not been restated, the cumulative amount of amortisation as of 1 April 2006 has been offset against the cost of the goodwill and no amortisation charge for the goodwill has been recognised in the income statement for the three month period ended 30 June 2006.

Under FRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss. Prior to 1 April 2006, negative goodwill was amortised over its weighted average useful life and set-off against the goodwill arising from the excess of the cost of acquisitions over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of other subsidiaries.

In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 April 2006 of RM13,220,000 was derecognised with a corresponding increase in retained earnings.

(b) FRS 5 : Non Current Assets Held for Sale

FRS 5 defined that an item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The Group has applied FRS 5 prospectively in accordance with its transitional provisions, which has resulted in the reclassification of an asset previously classified as land held under development.

(c) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101.

(d) FRS 116 : Property, Plant and Equipment

The adoption of this new FRS has resulted in a prospective change in the accounting estimates for depreciation of hotel property and the comparatives as at 31 March 2006 are not restated. Prior to 1 April 2006, this asset was not depreciated as it is the Group's practice to maintain its hotel property at a high standard and condition in order to maintain its residual value at least equal to its book value such that depreciation would be insignificant. Upon adoption of FRS 116, the hotel property is to be depreciated systematically over its estimated useful life. Depreciation of the hotel property is charged to profit or loss. The depreciation charge for the hotel property amounted to RM258,000 is recognised in the current quarter.

(e) FRS 140 : Investment Properties

FRS 140 defines an investment property as property held for long-term rental yield and/or capital appreciation and that is not occupied by the companies in the Group. In compliance with FRS 140, the Group has reclassified the properties held for rental to external parties which had previously been classified as property, plant and equipment and land held for development as investment properties. Investment properties are stated at cost less accumulated depreciation and impairment losses.

(f) The effect to the Group's comparative figures on adoption of the above FRSs is as follows :

|                               | As previously<br>reported<br>RM'000 | Effect of<br>reclassification<br>RM'000 | As<br>Restated<br>RM'000 |
|-------------------------------|-------------------------------------|---|--------------------------|
| As at 31 March 2006 :         |                                     |   |                          |
| Property, plant and equipment | 128,587                             | (86,369)                                | 42,218                   |
| Investment properties         | -                                   | 95,400                                  | 95,400                   |
| Land held for development     | 56,099                              | (52,002)                                | 4,097                    |
| Land held for sale            | -                                   | 42,971                                  | 42,971                   |

**A3. Audit Qualification**

The audit report of the Group's most recent annual audited financial statements for the period ended 31 March 2006 was not qualified.

**A4. Seasonality or Cyclical Factors**

There have been no material seasonal or cyclical factors affecting the results of the quarter under review.

**A5. Exceptional items**

**3 months ended**

|  |                 |
|--|-----------------|
|  | <b>30/06/06</b> |
|  | <b>RM'000</b>   |
| Included in investing results are :-                             |                 |
| Provision for impairment loss on quoted investments written back | 65              |
| Gain on disposal of quoted investment                            | 176             |
|  | <hr/>           |
|  | 241             |

**A6. Changes in estimates**

Other than the changes in note A2, there were no other major changes in estimates of amounts reported in prior financial years that have a material effect in the current financial quarter.

**A7. Debt and Equity Securities**

During the current financial quarter, the Company repurchased 881,200 of its issued share capital of RM1/- each from the open market at an average cost of RM0.83 per share. The shares repurchased were retained as treasury shares. As at 30 June 2006, the Company has 1,977,200 ordinary shares held as treasury shares.

**A8. Dividends Paid**

No dividends were paid in the quarter ended 30 June 2006.

**A9. Segmental Reporting**

| Business segments  | 3 months ended 30/06/2006 |            |        |             |            |         |
|--|---------------------------|------------|--------|-------------|------------|---------|
|  | Property                  | Property   |        | Food        | Investment | Total   |
|  | Development               | Investment | Hotel  | Franchising | & others   |         |
|  | RM'000                    | RM'000     | RM'000 | RM'000      | RM'000     | RM'000  |
| Revenue  | 62,443                    | 3,399      | 1,220  | 4,664       | 31         | 71,757  |
| Segment results  | 17,680                    | 856        | 5      | (61)        | 146        | 18,626  |
| Unallocated expenses   |                           |            |        |             |            | (3,087) |
| Operating profit   |                           |            |        |             |            | 15,539  |
| Finance costs  |                           |            |        |             |            | (5,464) |
| Share of results of associates and jointly controlled entity |                           |            |        |             |            | 648     |
| Profit before taxation                                       |                           |            |        |             |            | 10,723  |

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses comprise mainly head office expenses.

**A10. Valuation of property, plant and equipment**

The valuation of land and buildings have been brought forward, without amendment from the most recent annual audited statements for the year ended 31 March 2006. The carrying value is based on a valuation carried out in 1983 by independent professional valuers less depreciation.

**A11. Subsequent Events**

There is no material subsequent event since 30 June 2006.

**A12. Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the interim period under review.

**A13. Changes in contingent liabilities and contingent assets**

(a) Indemnities given to third parties in respect of bank guarantees for the Group have increased to RM1,120,200 from RM854,433 since the last annual balance sheet date.

(b) As part of the agreement on the disposal of the Group's entire equity interest in Symphony Global Sdn Bhd ("SGSB") to Symphony House Bhd ("SHB"), the Company provided a guarantee that the aggregate profit after tax of SGSB Group for the three financial years ending 31 December 2004 to 2006 shall not be less than RM75 million (PAT Guarantee). The PAT Guarantee provided by the company may only lapse upon the following:

(i) at the request of the Company and upon the written consent of SHB; or

(ii) if there is a re-organisation, reconstruction or otherwise an amalgamation in SHB Group relating to businesses involving information technology which materially affects the business of SGSB; or

(iii) if the Board of Directors of SGSB are appointed in a manner other than two (2) Directors being nominated by SHB, two (2) Directors being nominated by the Company and the remaining three (3) Directors being nominated from the management of SGSB and approved by the Company.

A provision for shortfall in profit guarantee amounted to RM60 million has been made by the Group in the preceding financial quarter.

**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS.**

**B1. Review of Performance**

The Property Development and Investment Divisions contributed 92% of the Group Turnover totalling RM65.842 million and RM18.536 million of the Group Segmental Results. The directors are of the view that the results reflect the current refocusing on core business activities of the Group.

**B2. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter**

The results of the current quarter is higher than the preceding quarter mainly due to higher contribution from Property Division in the current quarter. In addition, the results in the preceding quarter is adversely affected by provision for shortfall in profit guarantee amounting to RM60 million arising from the disposal of Symphony Global Sdn Bhd and the provision for impairment loss in a quoted associated company amounting to RM46 million.

**B3. Prospects for the financial year ending 31 March 2007**

Barring any unforeseen circumstances, the directors are of the view that the performance of the Group for the financial year 2007 will be better than financial year 2006.

**B4. Profit Forecast/Profit Guarantee**  
Not applicable

**B5. Taxation**

Taxation comprises the following :-

**3 months  
ended  
30/06/06  
RM'000**

Current taxation - current year

3,607

The effective tax rate of the Group for the periods presented above is higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

**B6. Sale of unquoted investments and properties**

There is no sale of unquoted investments during the current financial period. There is no sale of properties other than the sale of land and buildings in the normal course of business as property developers.

**B7. Quoted investments**

(a) Total purchases and sales of quoted investments are as follows :-

**3 months ended  
30/06/06  
RM'000**

Total purchases

970

Total sales proceeds

1,125

Total profit on disposal

176

(b) Investments in quoted securities as at 30 June 2006 are as follows :-

|                          | <u>At<br/>Cost</u><br>RM'000 | <u>At Book<br/>Value</u><br>RM'000 | <u>At Market<br/>Value</u><br>RM'000 |
|--------------------------|------------------------------|------------------------------------|--------------------------------------|
| Quoted in Malaysia       |                              |                                    |                                      |
| Associated companies     | 339,882                      | 157,874                            | 92,880                               |
| Other investments        | <u>64,701</u>                | <u>64,142</u>                      | <u>78,061</u>                        |
| Total quoted investments | <u>404,583</u>               | <u>222,016</u>                     | <u>170,941</u>                       |

**B8. Corporate Developments**

(i) The Company had on 18 July 2005 announced the following :

(a) Proposed private placement of up to 10% of the Company's issued and paid-up share capital;

The Proposed Placement has been approved by the SC, FIC and approved in principle by Bursa Securities for its listing and quotation. The Proposed Placement is pending implementation.

- (b) Proposed privatisation of Kejora Harta Bhd ("KHB") through a members' scheme of arrangement under Section 176 of the Companies Act, 1965 and Proposed acquisition of warrants in Kejora Harta Bhd ("Proposed Scheme");  
The Proposed Scheme has been approved by the SC and FIC, the shareholders of KHB at the EGM, the court convened meeting and warrant holders of KHB and the shareholders of the Company and sanction from the High Court of Malaya. The Proposed privatisation is pending completion by 11 September 2006.
- (c) Proposed conditional voluntary general offer by the Company through Commerce International Merchant Bankers Bhd for the remaining ordinary shares of RM0.10 each in Symphony House Berhad ("SHB") and Warrants 2004/2009 in SHB not held by the Company;  
The Proposed Offer has been approved by the SC and the FIC but was rejected by the shareholders of the Company at the EGM. An application was submitted to SC to withdraw the Proposed Offer on 13 April 2006. The SC approved the withdrawal of the Proposed Offer on 9 May 2006.
- (d) Proposed internal reorganisation of the enlarged Bolton Group of Companies:  
The Proposed Internal Reorganisation is subject to the approval of the FIC.
- (ii) The Company had on 18 January 2006 announced the following :-
- (a) Proposed disposal of 11 contiguous parcels of freehold land ("Mayang Land") measuring a total of 17,383,207 square meters located on Jalan Mayang, off Jalan Yap Kwan Seng, Kuala Lumpur, to Alpine Return Sdn Bhd for a total consideration of RM112.287 million.
- (b) Entered into a shareholder agreement with United Malayan Land Berhad, Acegoal Limited, a wholly subsidiary of CapitaLand Limited in respect of Alpine Return Sdn Bhd.  
The Proposed Disposal is subject to the approval of the FIC and the principal/outline approval and development order from Dewan Bandaraya Kuala Lumpur for the development plan for Mayang Land.

**B9. Group borrowings**

Particulars of the Group's borrowings as at 30 June 2006 are as follows :-

|                              | <b>RM'000</b>  |
|------------------------------|----------------|
| Short term bank borrowings - |                |
| Secured                      | 134,391        |
| Unsecured                    | 30,067         |
| Long term bank borrowings    |                |
| Secured                      | 83,362         |
| Unsecured                    | 100,056        |
| Total Group borrowings       | <u>347,876</u> |

All borrowings are denominated in Ringgit Malaysia.

**B10. Off Balance Sheet Financial Instruments**

There has been no financial instruments with off balance sheet risks as at the date of this report.

**B11. Material Litigation**

There has been no material litigation pending as at the date of this report.

**B12. Dividends Proposed**

No dividend has been declared for the interim period under review.

**B13. Earnings per share**

**3 months ended  
30/06/2006**

Profit for the period attributable to the ordinary equity

holders of the parent

6,053

Weighted average number of ordinary shares

excluding treasury shares ('000)

318,446

Basic earnings per share (sen)

1.90

The fully diluted earnings per share for the current period is not presented as the effect of the conversion of warrants is anti-dilutive.

**BY ORDER OF THE BOARD**

**LIM SENG YON  
KOAY BENG HOCK  
Secretaries**

**Kuala Lumpur**