

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

Interim Financial Report
First Quarter Ended 31 March 2005

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005

	3 months ended		3 months ended	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	29,056	32,019	29,056	32,019
Operating expenses	(21,388)	(28,447)	(21,388)	(28,447)
Other operating income	845	3,632	845	3,632
Profit from operations	<u>8,513</u>	<u>7,204</u>	<u>8,513</u>	<u>7,204</u>
Finance costs	(5,488)	(5,273)	(5,488)	(5,273)
Investing results	907	2,179	907	2,179
Profit before tax	<u>3,932</u>	<u>4,110</u>	<u>3,932</u>	<u>4,110</u>
Taxation	(1,262)	(931)	(1,262)	(931)
Profit after tax	<u>2,670</u>	<u>3,179</u>	<u>2,670</u>	<u>3,179</u>
Minority interests	(663)	(1)	(663)	(1)
Net profit for the period	<u>2,007</u>	<u>3,178</u>	<u>2,007</u>	<u>3,178</u>
EPS - basic (sen)	<u>0.63</u>	<u>0.99</u>	<u>0.63</u>	<u>0.99</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004)

BOLTON BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS**AS AT 31 MARCH 2005**

	As at 31/03/2005 RM'000	As at 31/12/2004 RM'000
Property, Plant and Equipment	136,013	135,773
Investment in Associated and Joint Venture Companies	337,555	338,359
Long term investments	71,258	71,258
Goodwill on consolidation	39,903	39,903
Intangible Assets	315	315
Land held for development	55,682	55,340
Current Assets		
Inventories	231,152	221,340
Debtors	112,784	105,052
Short term investments	2,344	2,445
Cash and cash equivalents	16,616	51,051
	<u>362,896</u>	<u>379,888</u>
Current Liabilities		
Trade and other creditors	41,950	35,656
Overdraft and short term borrowings	174,975	193,606
	<u>216,925</u>	<u>229,262</u>
Net Current Assets	145,971	150,626
	<u>786,697</u>	<u>791,574</u>
Share Capital	320,343	320,343
Reserves	269,718	267,711
	<u>590,061</u>	<u>588,054</u>
Less : 842,000 treasury shares, at cost	(659)	(659)
Shareholders' Fund	<u>589,402</u>	<u>587,395</u>
Minority Interests	12,760	12,097
Long Term Borrowings	181,685	189,207
Long term liabilities	226	251
Deferred taxation	2,624	2,624
	<u>786,697</u>	<u>791,574</u>
Net Tangible Assets per share (RM)	<u>1.71</u>	<u>1.71</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004)

BOLTON BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2005

	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Capital Reserve</u> RM'000	<u>Exchange Reserve</u> RM'000	<u>Retained Profits</u> RM'000	<u>Total</u> RM'000
At 1 January 2005	320,343	244,792	24,872	(8)	(1,945)	588,054
Net profit for the period	-	-	-	-	2,007	2,007
At 31 March 2005	<u>320,343</u>	<u>244,792</u>	<u>24,872</u>	<u>(8)</u>	<u>62</u>	<u>590,061</u>
At 1 January 2004	320,343	244,792	24,919	(8)	17,440	607,486
Net profit for the period	-	-	-	-	3,178	3,178
At 31 March 2004	<u>320,343</u>	<u>244,792</u>	<u>24,919</u>	<u>(8)</u>	<u>20,618</u>	<u>610,664</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004)

BOLTON BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2005

	3 months ended 31/03/2005 RM'000	3 months ended 31/03/2004 RM'000
Net Profit before tax	3,932	4,110
Adjustment for non-cash flow :-		
Non-cash items	991	(2,333)
Non-operating items (which are investing/financing)	519	(2,183)
Operating profit before changes in working capital	<u>5,442</u>	<u>(406)</u>
Changes in working capital		
Net change in current assets	(14,139)	(25,504)
Net change in liabilities	6,269	(347)
Land held for development	(342)	20
Taxation paid	(4,109)	(561)
Net cash flows from operating activities	<u>(6,879)</u>	<u>(26,798)</u>
Investing Activities		
- Property, plant and equipments	(1,231)	25,251
- Net cash received on disposal of subsidiary company	-	25,851
- Other investments	(172)	(2,345)
	<u>(1,403)</u>	<u>48,757</u>
Financing Activities		
- Bank borrowings	(16,247)	(28,867)
	<u>(16,247)</u>	<u>(28,867)</u>
Net Change in Cash and Cash Equivalents	(24,529)	(6,908)
Cash and Cash Equivalents at beginning of period	28,927	(8,561)
Cash and Cash Equivalents at end of period	<u>4,398</u>	<u>(15,469)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004)

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 March 2005

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 Chapter 9 part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

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 for the year ended 31 December 2004.

A2. Audit Qualification

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2004 was not qualified.

A3. Seasonality or Cyclical Factors

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

A4. Exceptional items

	3 months ended 31/03/05	3 months ended 31/03/04
Included in investing results are exceptional items comprising :-		
(Provision)/write back of provision for diminution in value of quoted investments	(257)	33
Write back of impairment loss on investment in a subsidiary company	-	478
(Loss)/gain on disposal of quoted investments	(15)	171
	<u>(272)</u>	<u>682</u>

A5. Changes in estimates

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current financial quarter.

A6. Debt and Equity Securities

There has been no issuance and repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares during the current financial year, apart from the treasury shares repurchased during previous financial years.

A7. Dividends Paid

No dividends were paid in the quarter ended 31 March 2005.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 March 2005

A8. Segmental Reporting

3 months ended 31/03/2005

Business segments	Property Development RM'000	Property Investment RM'000	Hotel RM'000	Liquid Bulking RM'000	Food Franchising RM'000	IT and Services RM'000	Non- Segment RM'000	Total RM'000
Revenue	20,912	2,963	818	-	4,330	-	33	29,056
Segment results	10,367	856	(56)	88	278	543	(245)	11,831
Unallocated expenses								(2,411)
Operating profit								9,420
Finance costs								(5,488)
Profit before taxation								3,932

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.

A9. 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 December 2004. The carrying value is based on a valuation carried out in 1983 by independent professional valuers less depreciation.

A10. Subsequent Events

There is no material subsequent event since 31 March 2005.

A11. Changes in the Composition of the Group

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

A12. Changes in contingent liabilities and contingent assets

(a) Indemnities given to third parties in respect of bank guarantees for the Group have increased to RM1,064,350 from RM915,000 since the last annual balance sheet date. Corporate guarantees given to financial institutions for facilities granted to an associated company amounted to RM72.4 million as at 31 March 2005.

(b) As part of the agreement on the disposal of the Group's entire equity interest in Symphony Global Sdn Bhd (formerly known as Global Innovative Management Partners-ACT 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. The profit guarantee provided by the company may only lapsed 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.

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Unaudited interim report for the quarter ended 31 March 2005

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 82% of the Group Turnover totalling RM29,056,000 and 95% of the Group Segmental Results of RM11,831,000 for the current financial period respectively. The directors are of the view that the results reflect the current refocussing on core business activities of the Group.

The Group property development activities are carried out in Tijani 1, Tijani 2 South in Bukit Tunku, Taman Tasik Prima in Puchong, Lavender Heights in Senawang and Taman Seri Telok Mas in Melaka. The Group investment properties include the Campbell Shopping Complex, D'Mayang Condo, Bolton Court, Prince Kaswira Condo, Hotel Midah in Kuala Lumpur and the Langkawi Fair Shopping Mall respectively.

All the property development projects and the investment properties, with the exception of Hotel Midah, contributed positively to the current period financial results.

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

The results of the current quarter is lower than the preceding quarter mainly due to write back of provision for diminution in value of quoted investments in the preceding quarter.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the directors are of the view that the financial results of the Group is expected to improve in view of the 100% take-up rate for the luxurious bungalows, 68% for the semi-detached houses in Tijani 2 South and the favourable conditions for the affordable residential property market respectively.

B4. Profit Forecast/Profit Guarantee

Not applicable

B5. Taxation

Taxation comprises the following :-

	3 months ended 31/03/05	3 months ended 31/03/04
Current taxation	705	548
Associated and joint venture companies	<u>557</u>	<u>383</u>
	<u>1,262</u>	<u>931</u>

The effective tax rate of the Group for the three months ended 31 March 2005 is higher than the statutory tax rate principally due certain expenses disallowed for tax purposes.

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.

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Unaudited interim report for the quarter ended 31 March 2005

B7. Quoted investments

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

	3 months ended 31/03/05 RM'000	3 months ended 31/03/04 RM'000
Total purchases	256	1,476
Total sales proceeds	84	1,327
Total (loss)/gain on disposal	(15)	171

(b) Investments in quoted securities as at 31 March 2005 are as follows :-

	<u>At Cost</u> RM'000	<u>At Book Value</u> RM'000	<u>At Market Value</u> RM'000
Quoted in Malaysia			
Associated company	339,882	271,937	103,992
Other investments	64,234	63,602	105,198
Total quoted investments	<u>404,116</u>	<u>335,539</u>	<u>209,190</u>

B8. Corporate Developments

Noble Accord Sdn Bhd, a wholly-owned subsidiary of the Company, had on 28 April 2005 entered into a Heads of Agreement ("HOA") with Pandey Venture Capital Ltd, a company incorporated in New Zealand, (in trust for a potential purchaser) for the disposal of a property situated at and known as "Hotel Midah", No. 8 Jalan Kampung Attap, 50460 Kuala Lumpur, Malaysia, for a total sale consideration of RM32.25 million ("Proposed Disposal").

The Proposed Disposal is subject to the purchaser obtaining approvals from the Foreign Investment Committee, Jabatan Tanah & Galian Wilayah Persekutuan and the purchaser being satisfied with the result of the due diligence exercise.

B9. Group borrowings

Particulars of the Group's borrowings as at 31 March 2005 are as follows :-

	RM'000
Short term bank borrowings -	
Secured	124,691
Unsecured	50,284
Long term bank borrowings	
Secured	81,685
Unsecured	100,000
Total Group borrowings	<u>356,660</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.

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B13. Earnings per share

	3 months ended	
	31/3/2005	31/3/2004
Net profit for the period (RM'000)	2,007	3,178
Weighted average number of ordinary shares excluding treasure shares ('000)	319,501	319,511
Basic earnings per share (sen)	0.63	0.99

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

26 May 2005
Kuala Lumpur