

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

Interim Financial Report
Fourth Quarter Ended 31 December 2005

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

	3 months ended		12 months ended	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	47,286	38,568	167,408	150,324
Operating expenses	(44,381)	(34,470)	(186,327)	(125,659)
Other operating income	804	1,902	5,896	6,731
Profit/(Loss) from operations	<u>3,709</u>	<u>6,000</u>	<u>(13,023)</u>	<u>31,396</u>
Finance costs	(5,446)	(7,225)	(22,004)	(23,206)
Investing results	4,013	7,315	(70,956)	27,656
Profit/(Loss) before tax	<u>2,276</u>	<u>6,090</u>	<u>(105,983)</u>	<u>35,846</u>
Taxation	(758)	(667)	(5,375)	(6,435)
Profit/(Loss) after tax	<u>1,518</u>	<u>5,423</u>	<u>(111,358)</u>	<u>29,411</u>
Minority interests	17	(1,422)	(3,044)	(2,585)
Net profit/(loss) for the period	<u>1,535</u>	<u>4,001</u>	<u>(114,402)</u>	<u>26,826</u>
EPS/(LPS) - basic (sen)	<u>0.48</u>	<u>1.25</u>	<u>(35.81)</u>	<u>8.40</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 DECEMBER 2005

	As at 31/12/2005	As at 31/12/2004 restated
	RM'000	RM'000
Property, Plant and Equipment	129,223	135,773
Investment in Associated and Joint Venture Companies	268,590	338,359
Long term investments	71,258	71,258
Negative Goodwill on consolidation	(4,311)	(7,619)
Intangible Assets	-	315
Land held for development	56,266	55,340
Current Assets		
Inventories	191,538	218,877
Debtors	105,997	105,052
Short term investments	2,357	2,445
Cash and cash equivalents	24,574	51,051
	<u>324,466</u>	<u>377,425</u>
Current Liabilities		
Trade and other creditors	38,492	35,656
Overdraft and short term borrowings	180,939	193,606
	<u>219,431</u>	<u>229,262</u>
Net Current Assets	105,035	148,163
	<u>626,061</u>	<u>741,589</u>
Share Capital	320,343	320,343
Reserves	92,584	212,737
	<u>412,927</u>	<u>533,080</u>
Less : 852,000 treasury shares, at cost	(667)	(659)
Shareholders' Fund	<u>412,260</u>	<u>532,421</u>
Minority Interests	19,114	17,086
Long Term Borrowings	191,989	189,207
Long term liabilities	74	251
Deferred taxation	2,624	2,624
	<u>626,061</u>	<u>741,589</u>
Net Assets per share (RM)	<u>1.35</u>	<u>1.72</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 DECEMBER 2005

	-----Non-distributable-----				Distributable Retained Profits	Total
	Share Capital	Share Premium	Capital Reserve	Exchange Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2005 :						
- as previously reported	320,343	244,792	24,872	(8)	(1,945)	588,054
- prior year adjustments						
Impairment losses on -						
goodwill	-	-	-	-	(47,522)	(47,522)
Adjustment on minority interest	-	-	-	-	(4,989)	(4,989)
Change in accounting policy in respect						
of recognition of certain project expense	-	-	-	-	(2,463)	(2,463)
- as restated	<u>320,343</u>	<u>244,792</u>	<u>24,872</u>	<u>(8)</u>	<u>(56,919)</u>	<u>533,080</u>
Net loss for the period	-	-	-	-	(114,402)	(114,402)
First and final dividend of 2.5% less 28% tax paid for the financial year ended 31 December 2004	-	-	-	-	(5,751)	(5,751)
At 31 December 2005	<u>320,343</u>	<u>244,792</u>	<u>24,872</u>	<u>(8)</u>	<u>(177,072)</u>	<u>412,927</u>
At 1 January 2004 :						
- as previously reported	320,343	244,792	24,919	(8)	17,440	607,486
- prior year adjustments						
Impairment losses on -						
goodwill	-	-	-	-	(47,522)	(47,522)
Adjustment on minority interest	-	-	-	-	(4,989)	(4,989)
Change in accounting policy in respect						
of recognition of certain project expense	-	-	-	-	(2,463)	(2,463)
- as restated	<u>320,343</u>	<u>244,792</u>	<u>24,919</u>	<u>(8)</u>	<u>(37,534)</u>	<u>552,512</u>
Transfer to accumulated profit	-	-	(47)	-	47	-
Net profit for the period	-	-	-	-	26,826	26,826
Interim dividend in specie of 31,969,136 ordinary shares of RM0.10 each in Symphony House Bhd	-	-	-	-	(43,958)	(43,958)
First and final dividend of 1% less 28% tax paid for the financial year ended 31 December 2003	-	-	-	-	(2,300)	(2,300)
At 31 December 2004	<u>320,343</u>	<u>244,792</u>	<u>24,872</u>	<u>(8)</u>	<u>(56,919)</u>	<u>533,080</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

(Company No. 5572-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

	12 months ended 31/12/2005 RM'000	12 months ended 31/12/2004 RM'000
Net (Loss)/Profit before tax	(105,983)	35,846
Adjustment for non-cash flow :-		
Non-cash items	36,485	1,732
Non-operating items (which are investing/financing)	71,787	(29,484)
Operating profit before changes in working capital	<u>2,289</u>	<u>8,094</u>
Changes in working capital		
Net change in current assets	1,083	23,293
Net change in liabilities	2,659	(45,461)
Land held for development	(926)	(641)
Taxation paid	(11,135)	(7,379)
Net cash flows from operating activities	<u>(6,030)</u>	<u>(22,094)</u>
Investing Activities		
- Property, plant and equipments	(1,829)	23,916
- Equity investments	(8)	(9)
- Net cash received on acquisition/disposal of subsidiary company	-	33,835
- Associated companies	(2,230)	(6,399)
- Other investments	(744)	25,531
	<u>(4,811)</u>	<u>76,874</u>
Financing Activities		
- Bank borrowings	6,150	(11,752)
- Dividends paid	(5,751)	(5,540)
	<u>399</u>	<u>(17,292)</u>
Net Change in Cash and Cash Equivalents	(10,442)	37,488
Cash and Cash Equivalents at beginning of period	28,927	(8,561)
Cash and Cash Equivalents at end of period	<u>18,485</u>	<u>28,927</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 December 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 other than the change in accounting policy for goodwill and recognition of certain project expense in relation to property development companies.

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 31/12/05 RM'000	12 months ended 31/12/05 RM'000
Included in operating expenses are :-		
Provision for impairment loss on :		
quoted investment	(128)	(455)
certain capitalized cost	-	(22,560)
assets of certain subsidiary companies	-	(4,544)
Loss on disposal of quoted investment	(122)	(377)
Allowance for doubtful debts	-	(8,221)
Provision for shortfall in Net Tangible Asset warranty arising from the disposal of Symphony Global Sdn Bhd (formerly known as Global Innovative Management Partners-ACT Sdn Bhd)	-	(4,750)
	<u>(250)</u>	<u>(40,907)</u>
Included in investing results are :-		
Provision for impairment loss on :		
unquoted associated company	-	(1,579)
quoted associated company	-	(51,031)
Write back of gain on disposal of unquoted associated company	-	(220)
Group's share of an associated company's provision for impairment losses	-	(28,623)
	<u>-</u>	<u>(81,453)</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

During the current financial quarter, the Company repurchased 5,000 of its issued share capital of RM1/- each from the open market at an average cost of RM0.79 per share. The shares repurchased were retained as treasury shares.

A7. Dividends Paid

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

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 December 2005

A8. Segmental Reporting

12 months ended 31/12/2005

Business segments	Property Development RM'000	Property Investment RM'000	Hotel RM'000	Food Franchising RM'000	Investment & others RM'000	Total RM'000
Revenue	131,085	12,733	4,365	19,073	152	167,408
Segment results	35,852	2,341	690	21	(40,778)	(1,874)
Unallocated expenses						(11,149)
Operating profit						(13,023)
Finance costs						(22,004)
Share of results of associated and joint venture companies						(70,956)
Loss before taxation						(105,983)

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.

Share of results of associated and joint venture companies comprised of :-

Liquid bulking	683
IT and services	4,217
Property development	(18,398)
Consumer retail	4,390
Investment and others	(9,018)
Write back of gain on disposal of unquoted associated company	(220)
Provision for impairment losses in quoted and unquoted associated companies	(52,610)
	(70,956)

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 December 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 RM1,069,433 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 December 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 (PAT Guarantee). The PAT Guarantee provided by the company may only lapsed upon the following:
- at the request of the Company and upon the written consent of SHB; or
 - 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
 - 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.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 December 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 86% of the Group Turnover totalling RM143.818 million and RM38.193 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 the associated companies and lower effective tax for the Group compared to the preceding quarter.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the directors are of the view that the operational results of the Group, excluding the impairment provision of the Group, is expected to improve in view of high take-up rate for the luxurious bungalows and semi-detached houses in Tijani 2 South and duplexes in Tijani 2 North 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 31/12/05 RM'000	12 months ended 31/12/05 RM'000
Current taxation	(467)	(4,382)
Associated and joint venture companies	(291)	(993)
	<u>(758)</u>	<u>(5,375)</u>

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, and the provision for impairment losses made by the Group and the Group's share of impairment losses of an associated company as disclosed under note A4, which are not tax deductible.

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 31/12/05 RM'000	12 months ended 31/12/05 RM'000
Total purchases	387	2,453
Total sales proceeds	<u>247</u>	<u>1,709</u>
Total loss on disposal	<u>(122)</u>	<u>(377)</u>

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

	<u>At</u> <u>Cost</u> RM'000	<u>At Book</u> <u>Value</u> RM'000	<u>At Market</u> <u>Value</u> RM'000
Quoted in Malaysia			
Associated company	339,882	200,028	80,985
Other investments	<u>64,398</u>	<u>63,615</u>	<u>85,014</u>
Total quoted investments	<u>404,280</u>	<u>263,643</u>	<u>165,999</u>

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 December 2005

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 the FIC and is subject to sanction from the High Court of Malaya and the approvals of the KHB warrant holders and shareholders of the Company and KHB at EGMs to be convened later.
- (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 FIC and is subject to the approval of the shareholders of the Company at an EGM to be convened later.
- (d) Proposed increase in the Company's authorised share capital;
The Proposed Increase in subject to the approval of the shareholders of the Company at an EGM to be convened later.
- (e) 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.

(iii) The Company had on 6 December 2005 announced the Proposed Disposal by Knoxfield Sdn Bhd, a wholly owned subsidiary company of the Company, of its entire interest in Stolthaven (Westport) Sdn Bhd ("Stolthaven"), comprising 16.46 million ordinary shares of RM1.00 each representing 60% of the total issued and paid up share capital of Stolthaven, to Kuala Lumpur Kepong Berhad and Stolthaven (Malaysia) Sdn Bhd, for a total cash consideration of RM14.49 million.

The Proposed Disposal was completed on 10 February 2006.

B9. Group borrowings

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

	RM'000
Short term bank borrowings -	
Secured	148,592
Unsecured	32,347
Long term bank borrowings	
Secured	91,989
Unsecured	100,000
Total Group borrowings	<u>372,928</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.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 December 2005

B13. Earnings per share

	3 months ended		12 months ended	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Net profit/(loss) for the period (RM'000)	1,535	4,001	(114,402)	26,826
Weighted average number of ordinary shares excluding treasury shares ('000)	319,495	319,505	319,498	319,509
Basic earnings/(loss) per share (sen)	0.48	1.25	(35.81)	8.40

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
27 February 2006