

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

Interim Financial Report
Fifth Quarter Ended 31 March 2006

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006

	<u>3 months ended</u> <u>31/03/2006</u> RM'000	<u>15 months ended</u> <u>31/03/2006</u> RM'000
Revenue	47,587	214,995
Operating expenses	(48,840)	(235,167)
Other operating income	9,758	15,654
Profit/(Loss) from operations	<u>8,505</u>	<u>(4,518)</u>
Finance costs	(5,769)	(27,773)
Investing results	(111,269)	(182,225)
Loss before tax	<u>(108,533)</u>	<u>(214,516)</u>
Taxation	3,307	(2,068)
Loss after tax	<u>(105,226)</u>	<u>(216,584)</u>
Minority interests	1,032	(2,012)
Net loss for the period	<u>(104,194)</u>	<u>(218,596)</u>
LPS - basic (sen)	<u>(32.61)</u>	<u>(68.42)</u>

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

(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 2006

	As at 31/03/2006	As at 31/12/2004 restated
	RM'000	RM'000
Property, Plant and Equipment	128,588	135,773
Investment in Associated and Joint Venture Companies	211,078	338,359
Long term investments	72,082	72,082
Other Non-Current Receivables	5,217	5,313
Negative Goodwill on consolidation	(4,562)	(7,619)
Intangible Assets	-	315
Land held for development	56,225	55,340
Current Assets		
Inventories	220,807	218,877
Debtors	81,136	98,915
Short term investments	2,797	2,445
Cash and cash equivalents	26,075	51,051
	330,815	371,288
Current Liabilities		
Trade and other creditors	120,289	35,656
Overdraft and short term borrowings	157,145	193,606
	277,434	229,262
Net Current Assets	53,381	142,026
	522,009	741,589
Share Capital	320,343	320,343
Reserves	(11,820)	212,737
	308,523	533,080
Less : 1,096,000 treasury shares, at cost	(847)	(659)
Shareholders' Fund	307,676	532,421
Minority Interests	18,082	17,086
Long Term Borrowings	192,869	189,207
Long term liabilities	496	251
Deferred taxation	2,886	2,624
	522,009	741,589
Net Assets per share (RM)	1.02	1.72

(The Condensed Consolidated Balance Sheets 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 STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2006

	-----Non-distributable-----				Distributable Retained Profits RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Reserve 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>
Currency translation differences	-	-	-	(210)	-	(210)
Net loss for the period	-	-	-	-	(218,596)	(218,596)
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 March 2006	<u>320,343</u>	<u>244,792</u>	<u>24,872</u>	<u>(218)</u>	<u>(281,266)</u>	<u>308,523</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 year	-	-	-	-	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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006

	15 months ended 31/03/2006 RM'000
Loss before tax	(214,516)
Adjustment for non-cash flow :-	
Non-cash items	37,075
Non-operating items (which are investing/financing)	116,501
Operating loss before changes in working capital	<u>(60,940)</u>
Changes in working capital	
Net change in current assets	(11,303)
Net change in liabilities	84,270
Land held for development	(885)
Taxation paid	(9,817)
Net cash flows from operating activities	<u>1,325</u>
Investing Activities	
- Property, plant and equipment	(1,347)
- Equity investments	(188)
- Net cash received on acquisition/disposal of subsidiary company	-
- Associated companies	14,791
- Other investments	(1,007)
	<u>12,249</u>
Financing Activities	
- Bank borrowings	(13,422)
- Dividends paid	(5,751)
	<u>(19,173)</u>
Net Change in Cash and Cash Equivalents	(5,599)
Cash and Cash Equivalents at beginning of period	28,927
Cash and Cash Equivalents at end of period	<u>23,328</u>

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

(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 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 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 31/03/06 RM'000	15 months ended 31/03/06 RM'000
Included in operating expenses are :-		
Provision for impairment loss on :		
quoted investment	157	(298)
assets of certain subsidiary companies	-	(4,544)
Write back of provision for impairment loss on assets of certain subsidiary companies	833	833
Loss on disposal of quoted investment	20	(357)
Allowance for doubtful debts	-	(30,781)
	<u>1,010</u>	<u>(35,147)</u>
Included in investing results are :-		
Provision for impairment loss on :		
unquoted associated company	-	(1,579)
quoted associated companies	(46,000)	(97,031)
Write back of gain on disposal of unquoted associated company	-	(220)
Gain on disposal of an unquoted associated company	603	603
Group's share of an associated company's provision for impairment losses	-	(28,623)
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)
Provision for shortfall in profit guarantee arising from the disposal of Symphony Global Sdn Bhd (formerly known as Global Innovative Management Partners-ACT Sdn Bhd)	(60,000)	(60,000)
	<u>(105,397)</u>	<u>(191,600)</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 244,000 of its issued share capital of RM1/- each from the open market at an average cost of RM0.74 per share. The shares repurchased were retained as treasury shares.

A7. Dividends Paid

No dividends were paid in the quarter ended 31 March 2006.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the quarter ended 31 March 2006

A8. Segmental Reporting

15 months ended 31/03/2006

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	170,618	15,942	5,853	22,423	159	214,995
Segment results	41,910	3,077	530	(23)	(34,867)	10,627
Unallocated expenses						(15,145)
Operating loss						(4,518)
Finance costs						(27,773)
Share of results of associated and joint venture companies						(182,225)
Loss before taxation						(214,516)

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	785
IT and services	4,542
Property development	(18,223)
Consumer retail	4,390
Investment and others	(74,889)
Write back of gain on disposal of unquoted associated company	(220)
Provision for impairment losses in quoted and unquoted associated companies	(98,610)
	(182,225)

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 2006.

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, except for the disposal of the Group's entire 60% equity interest in Stolthaven (Westport) Sdn Bhd, to Kuala Lumpur Kepong Berhad and Stolthaven (Malaysia) Sdn Bhd for a total cash consideration of RM14.49 million. The transaction was completed on 10 February 2006.

A12. Changes in contingent liabilities and contingent assets

(a) Indemnities given to third parties in respect of bank guarantees for the Group have decreased to RM854,433 from RM1,069,433 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 (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 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.

As disclosed in note A4, a provision for shortfall in profit guarantee amounted to RM60 million has been made by the Company.

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Unaudited interim report for the quarter ended 31 March 2006

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 87% of the Group Turnover totalling RM186.560 million and RM44.987 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 lower than the preceding quarter mainly due to the provision for shortfall in profit guarantee amounted to RM60 million arising from the disposal of Symphony Global Sdn Bhd (formerly known as Global Innovative Management Partners-ACT Sdn Bhd) and the provision for impairment loss in a quoted associated company amounted 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 31/03/06 RM'000	15 months ended 31/03/06 RM'000
Current taxation - current year	274	(4,108)
Current taxation - prior years	1,538	1,538
Deferred taxation	(262)	(262)
Associated and joint venture companies	1,757	764
	<u>3,307</u>	<u>(2,068)</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 31/03/06 RM'000	15 months ended 31/03/06 RM'000
Total purchases	550	3,003
Total sales proceeds	286	1,995
Total loss on disposal	20	(357)

(b) Investments in quoted securities as at 31 March 2006 are as follows :-

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted in Malaysia			
Associated companies	339,882	155,914	86,327
Other investments	64,680	64,055	83,585
Total quoted investments	<u>404,562</u>	<u>219,969</u>	<u>169,912</u>

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Unaudited interim report for the quarter ended 31 March 2006

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. The Proposed Scheme is subject to sanction from the High Court of Malaya.

(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 increase in the Company's authorised share capital;

The above Proposal has received the approval of the shareholders of the Company at the EGM.

(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.

B9. Group borrowings

Particulars of the Group's borrowings as at 31 March 2006 are as follows :-

	RM'000
Short term bank borrowings -	
Secured	126,975
Unsecured	30,170
Long term bank borrowings	
Secured	92,869
Unsecured	100,000
Total Group borrowings	<u>350,014</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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Unaudited interim report for the quarter ended 31 March 2006

B13. Earnings per share

	3 months ended 31/03/2006	15 months ended 31/03/2006
Net loss for the period (RM'000)	(104,194)	(218,596)
Weighted average number of ordinary shares excluding treasury shares ('000)	319,491	319,497
Basic loss per share (sen)	(32.61)	(68.42)

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

B14. Change in Financial Year End

The Company had on 6 December 2005, announced to Bursa Securities that the Group has changed its financial year end from 31 December 2005 to 31 March 2006.

BY ORDER OF THE BOARD

LIM SENG YON
KOAY BENG HOCK
Secretaries

Kuala Lumpur
29 May 2006