

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

Interim Financial Report
First Quarter Ended 30 June 2007

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007

	Individual quarter ended		Cumulative quarter ended	
	30/06/2007 RM'000	30/06/2006 RM'000 (restated)	30/06/2007 RM'000	30/06/2006 RM'000 (restated)
Continuing operations				
Revenue	84,233	70,537	84,233	70,537
Cost of sales	(58,097)	(46,629)	(58,097)	(46,629)
Gross profit	<u>26,136</u>	<u>23,908</u>	<u>26,136</u>	<u>23,908</u>
Other income	2,612	447	2,612	447
Employee benefits expense	(4,651)	(3,478)	(4,651)	(3,478)
Depreciation and amortisation	(1,331)	(1,008)	(1,331)	(1,008)
Other expenses	(7,179)	(4,454)	(7,179)	(4,454)
Profit from operations	<u>15,587</u>	<u>15,415</u>	<u>15,587</u>	<u>15,415</u>
Finance costs	(4,588)	(5,464)	(4,588)	(5,464)
Other investing activities results	(184)	119	(184)	119
Share of results of associates and jointly controlled entities	727	648	727	648
Profit before taxation	<u>11,542</u>	<u>10,718</u>	<u>11,542</u>	<u>10,718</u>
Taxation	(3,401)	(3,607)	(3,401)	(3,607)
Profit for the period from continuing operations	<u>8,141</u>	<u>7,111</u>	<u>8,141</u>	<u>7,111</u>
Discontinued Operation				
Profit for the period from discontinued operation	345	5	345	5
Profit for the period	<u>8,486</u>	<u>7,116</u>	<u>8,486</u>	<u>7,116</u>
Attributable to :				
Equity holders of the parent	8,068	6,053	8,068	6,053
Minority interests	418	1,063	418	1,063
	<u>8,486</u>	<u>7,116</u>	<u>8,486</u>	<u>7,116</u>
Earnings per share attributable to equity holders of the parent :	sen	sen	sen	sen
Basic, for profit from continuing operations	2.49	1.90	2.49	1.90
Basic, for profit from discontinued operation	<u>0.11</u>	<u>0.00</u>	<u>0.11</u>	<u>0.00</u>
Basic, for profit for the period	<u>2.60</u>	<u>1.90</u>	<u>2.60</u>	<u>1.90</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 March 2007 and the accompanying notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited As at 30/06/2007	Audited As at 31/03/2007
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	82,583	86,114
Investment Properties	52,754	52,878
Land held for property development	84,885	84,639
Investment in associates and jointly controlled entities	115,658	96,483
Other investments	8,772	9,248
Goodwill	1,852	1,852
Prepaid lease payments	5,221	5,236
Deferred tax assets	3,414	3,323
	<u>355,139</u>	<u>339,773</u>
Current Assets		
Development properties	150,018	178,186
Inventories	54,630	58,380
Trade and other receivables	174,581	178,001
Short term investments	4,855	4,433
Tax recoverable	10,690	12,061
Cash and cash equivalents	51,597	35,605
	<u>446,371</u>	<u>466,666</u>
Assets of disposal group classified as held for sale	24,722	27,871
	<u>471,093</u>	<u>494,537</u>
TOTAL ASSETS	<u>826,232</u>	<u>834,310</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	320,815	320,815
Share Premium	244,909	244,909
Other reserves	19,867	19,867
Accumulated Losses	(192,968)	(200,707)
Amounts recognised directly in equity relating to assets classified as held for sale	-	(329)
Shareholders' equity	<u>392,623</u>	<u>384,555</u>
Treasury shares	(9,396)	(8,850)
Minority Interests	8,570	8,152
Total equity	<u>391,797</u>	<u>383,857</u>
Non Current Liabilities		
Long Term Borrowings	110,963	118,901
Long term payables and deferred income	38,425	38,425
	<u>149,388</u>	<u>157,326</u>
Current Liabilities		
Trade and other payables	72,420	83,339
Current tax payable	13,117	12,414
Borrowings	174,329	169,998
	<u>259,866</u>	<u>265,751</u>
Liabilities directly associated with the assets classified as held for sale	25,181	27,376
	<u>285,047</u>	<u>293,127</u>
Total Liabilities	<u>434,435</u>	<u>450,453</u>
TOTAL EQUITY AND LIABILITIES	<u>826,232</u>	<u>834,310</u>
Net Assets per share attributable to Equity Holders of the Parent (RM)	<u>1.24</u>	<u>1.21</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 March 2007 and the accompanying notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007

	-----Attributable to Equity Holders of the Parent-----						<u>Sub-total</u>	<u>Treasury Shares</u>	<u>Minority Interest</u>	<u>Total Equity</u>
	-----Non-distributable Reserves-----				<u>Relating to Assets Held for Sale</u>	<u>Distributable Retained Profits/ Accumulated Losses</u>				
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Capital Reserve</u>	<u>Exchange Reserve</u>						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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 FRS 3						18,465	18,465			18,465
										-
- as restated	320,343	244,792	24,872	(218)	-	(262,628)	327,161	(848)	18,131	344,444
Foreign currency translation				(111)			(111)			(111)
Dilution in equity interest							-		(11,683)	(11,683)
Impairment losses			(6,295)				(6,295)			(6,295)
Reversal of deferred tax			1,290				1,290			1,290
Amount recognised directly in equity relating to assets classified as held for sale				329	(329)		-			-
Profit for the year						61,921	61,921		1,704	63,625
Issue of ordinary shares : acquisition of subsidiary	472	117					589			589
Treasury shares purchased								(8,002)		(8,002)
At 31 March 2007	320,815	244,909	19,867	-	(329)	(200,707)	384,555	(8,850)	8,152	383,857
Profit for the period						8,068	8,068		418	8,486
Transfer of reserve					329	(329)	-			-
Treasury shares purchased							-	(546)		(546)
At 30 June 2007	320,815	244,909	19,867	-	-	(192,968)	392,623	(9,396)	8,570	391,797

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 March 2007 and the accompanying notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007

	Quarter ended 30/06/2007 RM'000	Quarter ended 30/06/2006 RM'000 (restated)
Profit before tax from:		
Continuing operations	11,542	10,718
Discontinued operation	345	5
Adjustment for non-cash flow :-		
Non-cash items	765	1,324
Non-operating items (which are investing/financing)	(674)	(888)
Operating profit before changes in working capital	<u>11,978</u>	<u>11,159</u>
Changes in working capital		
Net change in current assets	33,844	10,741
Net change in liabilities	(10,919)	(10,924)
Land held for development	(246)	(83)
Taxation (paid)/refund	(1,418)	2,372
Net cash flows from operating activities	<u>33,239</u>	<u>13,265</u>
Investing Activities		
- Property, plant and equipment	2,491	(152)
- Jointly controlled entities	(19,875)	-
- Other investments	606	(580)
- Dividend from an associated company	1,427	-
- Net cash from sale of a subsidiary company	1,109	-
	<u>(14,242)</u>	<u>(732)</u>
Financing Activities		
- Bank borrowings	(2,387)	(3,728)
- Equity investments	(546)	-
	<u>(2,933)</u>	<u>(3,728)</u>
Net Change in Cash and Cash Equivalents	16,064	8,805
Cash and Cash Equivalents at beginning of period	28,789	23,328
Cash and Cash Equivalents at end of period	<u>44,853</u>	<u>32,133</u>
Analysis of cash and cash equivalents at end of the financial period:		
Cash and bank balances	38,340	21,176
Deposits with licenced financial institutions	13,257	15,235
Bank overdrafts	(6,826)	(4,278)
	<u>44,771</u>	<u>32,133</u>
Cash and bank balances classified as held for sale	82	-
	<u>44,853</u>	<u>32,133</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 March 2007 and the accompanying notes attached to the interim financial statements)

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 year ended 31 March 2007.

A2. Changes in Accounting Policies

The accounting policies and methods of computation by the Group in this interim report are consistent with those adopted in the most recent annual audited financial statements.

Pursuant to the reclassification of certain non-current assets to assets held for sale, the following comparative amounts have been restated in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations:

	----- Adjustments-----		
	Previously stated RM'000	FRS 5 RM'000	Restated RM'000
3 months ended 30 June 2006			
Revenue	71,757	(1,220)	70,537
Cost of sales	(46,891)	262	(46,629)
Gross profit	24,866	(958)	23,908
Other income	600	(153)	447
Employee benefits expense	(3,863)	385	(3,478)
Depreciation and amortisation	(1,324)	316	(1,008)
Other expenses	(4,859)	405	(4,454)
Profit from operations	15,420	(5)	15,415
Profit before taxation	10,723	(5)	10,718
Profit after taxation	7,116	(5)	7,111
Profit for the period from discontinued operation	-	5	5

A3. Audit Qualification

The audit report of the Group's most recent annual audited financial statements for the year ended 31 March 2007 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

	Individual quarter ended 30/06/07 RM'000	Cumulative quarter ended 30/06/07 RM'000
Included in other investing results is :- Loss on disposal of subsidiary	(184)	(184)

A6. Changes in estimates

There were no other major changes in estimates that have a material effect on the results in the quarter under review.

A7. Debt and Equity Securities

During the current financial quarter, the Company repurchased 537,000 of its issued share capital of RM1 each from the open market at an average cost of RM1.02 per share. The shares repurchased were retained as treasury shares. As at 30 June 2007, the Company has 11,101,900 ordinary shares held as treasury shares.

A8. Dividends Paid

No dividends were paid in the quarter ended 30 June 2007.

A9. Segmental Reporting

Business segments	-----Quarter ended 30/06/2007-----					
	Property Development RM'000	Property Investment RM'000	Quarrying & Premix RM'000	Construction & Engineering RM'000	Investment & others RM'000	Continued Operations RM'000
Revenue	57,709	3,329	20,830	10,537	6,605	99,010
less : eliminations of inter-segment						(14,777)
Discontinued operation						84,233
						1,441
						<u>85,674</u>
Segment results from continuing operations	16,008	512	1,889	257	1,072	19,738
Unallocated expenses						(4,151)
Operating profit						<u>15,587</u>
Finance costs						(4,588)
Other investing activities results						(184)
Share of results of associates and jointly controlled entities	200	46			481	727
Profit before taxation						<u>11,542</u>
Taxation						(3,401)
Profit for the period from continuing operations						<u>8,141</u>
Profit for the period from discontinued operation						345
Profit for the period						<u><u>8,486</u></u>

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 financial statements for the year ended 31 March 2007. The carrying value is based on a valuation carried out in 1983 by independent professional valuers less depreciation, as permitted under the transitional provision of IAS 16 (Revised): Property, Plant and Equipment.

A11. Subsequent Events

Save and except for as disclosed under note B8, there is no material subsequent event since 30 June 2007.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group, other than the disposal of BBFI Franchising Inc., a company incorporated in the United States of America, as disclosed in note B8(iv).

A13. Discontinued Operation

On 16 February 2007, our Company entered a Share Sale Agreement ("SSA") to dispose of a subsidiary, Noble Accord Sdn Bhd for a total consideration of RM1,000. Pursuant to Clause 6.2 of the SSA, the Extended Completion Period (as defined therein in the SSA) was extended for a period of 2 months to 21 September 2007. As stated in Note B8(i), the sale has been terminated.

The revenue, results and cashflows of the discontinued operation were as follows:

	Individual quarter ended		Cumulative quarter ended	
	30/06/2007 RM'000	30/06/2006 RM'000	30/06/2007 RM'000	30/06/2006 RM'000
Revenue	1,441	1,220	1,441	1,220
Profit before taxation	345	5	345	5
Taxation	-	-	-	-
Profit for the period from discontinued operations	<u>345</u>	<u>5</u>	<u>345</u>	<u>5</u>
Cashflow from operating activities			-	(9)
Cashflow from investing activities			-	(3)
Cashflow from financing activities			-	-
Total cashflows			<u>-</u>	<u>(12)</u>

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2007**A14. Changes in contingent liabilities and contingent assets**

As at 30 June 2007, there were no material changes in contingent liabilities or contingent assets since the last annual audited balance sheet as at 31 March 2007.

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 RM61.038 million representing 72.5% of the Group's Turnover and the Group's Segmental Results thereof amounting to RM16.52 million. The directors are of the view that the results are reflective of the current refocusing of the core business activities of the Group of property development.

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

The result of the current quarter is lower than the preceding quarter mainly due to the one-off disposal of our Group's property in Jalan Mayang, Kuala Lumpur to our jointly controlled entity, Alpine Return Sdn Bhd, resulting in a gain of RM34.48 million. Save for the one-off disposal, the operating results for the current quarter is higher, principally due to higher contribution from the property development sector.

B3. Prospects for the financial year ending 31 March 2008

The Group is refocusing its business on property development. Barring any unforeseen circumstances, the directors are confident that the performance of the Group for the financial year ending 2008 will be comparable with that of 2007.

B4. Profit Forecast/Profit Guarantee

Not applicable

B5. Taxation

Taxation comprises the following :-

	Individual quarter ended 30/06/07 RM'000	Cumulative quarter ended 30/06/07 RM'000
Current taxation - current year	3,457	3,457
Current taxation - under provision in prior year	35	35
Deferred taxation	(91)	(91)
	<u>3,401</u>	<u>3,401</u>

The effective tax rate of the Group for the period under review is higher than the statutory tax rate principally due to losses of some subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

B6. Sale of unquoted investments and properties

Sale of unquoted investments during the current financial period are as disclosed in note B8. There are no sales 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 :-

	Individual quarter ended 30/06/07 RM'000	Cumulative quarter ended 30/06/07 RM'000
Total purchases	<u>387</u>	<u>387</u>
Total sales proceeds	<u>961</u>	<u>961</u>
Total profit on disposal	<u>331</u>	<u>331</u>

(b) Investments in quoted securities as at 30 June 2007 are as follows :-

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted in Malaysia			
Associated company	121,042	35,704	49,517
Other investments	<u>6,284</u>	<u>5,331</u>	<u>6,395</u>
Total quoted investments	<u>127,326</u>	<u>41,035</u>	<u>55,912</u>

B8. Corporate Developments

- (i) (a) Our Company has on 15 February 2007 announced that Noble Accord Sdn Bhd ("NASB"), a wholly-owned subsidiary of our Company, has entered into a Sale and Purchase Agreement ("SPA") with Ho Wah Genting Poipet Resorts Sdn Bhd ("HWGP"), for the proposed disposal by NASB, all that parcel of freehold land held under H.S.(D) 80171, PT No. 68, Section 69, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, together with an existing nineteen (19) storey building known as "Hotel Midah" erected thereon including its fixtures and fittings for a maximum cash consideration of RM29.0 million.

Both parties may by mutual agreement vary the Purchase Price in the event of the result of the due diligence discloses any deficiency or damage to the fixtures and fittings provided that any such variations of the purchase price shall not exceed a sum of RM4.5 million.

- (b) Our Company had on 16 February 2007 announced that it had entered into a Share Sale Agreement ("SSA") with HWGP, for the Proposed Disposal of its 2,500,000 ordinary shares of RM1.00 each in NASB, representing 100% equity interest in NASB, to HWGP for a nominal cash consideration of RM1,000.

On 23 August 2007, our Company announced that the SPA and SSA have been terminated. Pursuant to the termination, RM1,500,100 paid by HWGP was forfeited as liquidated damages pursuant to the terms of the SPA and SSA.

- (ii) Our Company's proposal to undertake a capital reduction exercise pursuant to Section 64 of the Companies Act, 1965 to reduce the share premium account by up to RM244.792 million and to utilise the credit arising from the reduction to reduce the accumulated losses of our Company was approved by our shareholders on 7 March 2007 and is now pending the sanction of the High Court of Malaya.

- (iii) Our wholly owned subsidiary, Kejora Harta Bhd, had on 5 May 2007 entered into the following agreements with North Borneo Cigars Sdn Bhd ("NBCSB") (formerly known as Ritz Energy (Sarawak) Sdn Bhd) :-

(a) A Sale and Purchase Agreement ("SPA") for the proposed acquisition of all that parcel of freehold land held under Geran No. 66312, Lot No. 4189, Bandar Tanjung Bungah, North-East District, Persiaran Tanjung Bungah 1, measuring 3.412 acres located in Pulau Pinang for a total cash consideration of RM24.70 million ("Proposed Property Acquisition"); and

(b) A Share Sale Agreement ("SSA") for the acquisition of the entire 100% equity shareholdings of GLM Property Development Sdn Bhd (formerly known as LCI Property Development Sdn Bhd), a wholly owned subsidiary of NBCSB, for a total cash consideration of RM0.30 million ("Proposed Share Acquisition").

The Proposed Property Acquisition and the Proposed Share Acquisition were completed on 10 July 2007 and accordingly, GLM became a wholly-owned subsidiary of the Group.

- (iv) Our Company had on 25 May 2007 subscribed for an additional 19,875,000 ordinary shares of RM1 each in Alpine Return Sdn. Bhd. ("Alpine") by way of capitalisation of the shareholder's advances from the Company to Alpine.

- (v) Our Company had on 30 May 2007 entered into a Sale and Purchase Agreement with Ibu Kota Developments Sdn Bhd for the disposal of 3,342,962 ordinary shares of RM1 each, representing 49% equity interests in Menara Ampang Sdn Bhd for a total cash consideration of RM10,428,017.

- (vi) Our indirect subsidiary, Multivenu Sdn Bhd had on 1 June 2007 entered into a Purchase Agreement with Restaurant Operating Investing Company, a company incorporated under the laws of Texas, United States of America ("USA"), for the proposed disposal of its entire shareholdings in BB Franchising Inc. ("BBFI"), comprising of 3,000 Common Stocks of USD1 each, representing 60% of the voting rights in BBFI, 20,000 Series A Preference Stocks of USD1 each and 3,000 Series B Preference Stocks of USD1 each, both representing the entire issuance of Series A Preference Stocks and Series B Preference Stocks in BBFI, for a total cash consideration of USD330,000, or equivalent to approximately RM1,122,000. The disposal was completed on 6 June 2007, resulting in a loss of RM184,000.

- (vii) CIMB Investment Bank Berhad, on behalf of our Company, had on 31 July 2007 announced that the Company proposed to undertake a non-renounceable offer for sale of part of our interest in Symphony House Berhad ("Symphony") to the shareholders of our Company on the basis of 2 Symphony ordinary shares of RM0.10 each for every 5 ordinary shares of RM1.00 each held in our Company.

B9. Group borrowings

Particulars of the Group's borrowings as at 30 June 2007 are as follows :-

	RM'000
Short term bank borrowings -	
Secured	116,270
Unsecured	58,059
Long term bank borrowings	
Secured	50,963
Unsecured	60,000
Total Group borrowings	<u>285,292</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.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2007**B12. Dividends Proposed**

A first and final dividend in respect of the financial year ended 31 March 2007 of 2.5 sen less 27% taxation on 310,250,290 ordinary shares amounting to RM5,662,068 was approved by the shareholders at the Annual General Meeting held on 11 July 2007. The dividend was paid on 8 August 2007.

No interim dividend has been declared during the quarter under review.

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30/06/07 RM'000	30/06/06 RM'000	30/06/07 RM'000	30/06/06 RM'000
Profit from continuing operations	7,723	6,048	7,723	6,048
Profit from discontinued operation	345	5	345	5
Profit for the period attributable to the ordinary equity holders of the parent	<u>8,068</u>	<u>6,053</u>	<u>8,068</u>	<u>6,053</u>
Weighted average number of ordinary shares excluding treasury shares ('000)	310,094	318,446	310,094	318,446
Basic earnings per share (sen) for :				
Profit from continuing operations	2.49	1.90	2.49	1.90
Profit from discontinued operation	<u>0.11</u>	<u>0.00</u>	<u>0.11</u>	<u>0.00</u>
Profit for the period	<u>2.60</u>	<u>1.90</u>	<u>2.60</u>	<u>1.90</u>

BY ORDER OF THE BOARD

LIM SENG YON
WONG WAI FONG
Secretaries

Kuala Lumpur