

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

Interim Financial Report
Third Quarter Ended 31 December 2007

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

	Individual quarter ended		Cumulative quarter ended	
	31/12/2007 RM'000	31/12/2006 RM'000 (restated)	31/12/2007 RM'000	31/12/2006 RM'000 (restated)
Continuing operations				
Revenue	70,991	39,028	200,002	188,119
Cost of sales	(49,261)	(26,058)	(137,270)	(121,737)
Gross profit	<u>21,730</u>	<u>12,970</u>	<u>62,732</u>	<u>66,382</u>
Other income	1,978	1,520	9,443	2,472
Employee benefits expense	(4,153)	(4,833)	(11,365)	(12,195)
Depreciation and amortisation	(1,025)	(1,491)	(2,926)	(3,527)
Other expenses	(5,800)	(5,704)	(18,586)	(16,711)
Profit from operations	<u>12,730</u>	<u>2,462</u>	<u>39,298</u>	<u>36,421</u>
Finance costs	(1,886)	(5,864)	(10,580)	(17,367)
Other investing activities results	10,505	16,925	9,084	35,725
Share of results of associates and jointly controlled entities	1,956	157	4,365	1,048
Profit before taxation	<u>23,305</u>	<u>13,680</u>	<u>42,167</u>	<u>55,827</u>
Taxation	(3,466)	(585)	(9,610)	(10,009)
Profit for the period from continuing operations	<u>19,839</u>	<u>13,095</u>	<u>32,557</u>	<u>45,818</u>
Discontinued Operation				
Profit for the period from discontinued operation	53	2,649	6,294	3,093
Profit for the period	<u>19,892</u>	<u>15,744</u>	<u>38,851</u>	<u>48,911</u>
Attributable to :				
Equity holders of the parent	19,027	15,179	36,456	47,572
Minority interests	865	565	2,395	1,339
	<u>19,892</u>	<u>15,744</u>	<u>38,851</u>	<u>48,911</u>
Earnings per share attributable to equity holders of the parent :	sen	sen	sen	sen
Basic, for profit from continuing operations	6.29	3.94	9.83	13.99
Basic, for profit from discontinued operation	<u>0.02</u>	<u>0.83</u>	<u>2.05</u>	<u>0.97</u>
Basic, for profit for the period	<u>6.31</u>	<u>4.77</u>	<u>11.88</u>	<u>14.97</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 BALANCE SHEETS

	Unaudited As at 31/12/2007	Audited As at 31/03/2007
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	70,969	86,114
Investment Properties	52,506	52,878
Land held for property development	85,369	84,639
Investment in associates and jointly controlled entities	108,332	96,483
Other investments	7,363	9,248
Goodwill	2,152	1,852
Prepaid lease payments	5,190	5,236
Deferred tax assets	3,950	3,323
	<u>335,831</u>	<u>339,773</u>
Current Assets		
Development properties	148,571	178,186
Inventories	43,898	58,380
Trade and other receivables	154,913	178,001
Short term investments	4,812	4,433
Tax recoverable	2,422	12,061
Cash and cash equivalents	49,353	35,605
	<u>403,969</u>	<u>466,666</u>
Assets of disposal group classified as held for sale	25,068	27,871
	<u>429,037</u>	<u>494,537</u>
TOTAL ASSETS	764,868	834,310
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	320,815	320,815
Share Premium	24,909	244,909
Other reserves	19,867	19,867
Retained Earnings/(Accumulated Losses)	53,465	(200,707)
Amounts recognised directly in equity relating to assets classified as held for sale	-	(329)
Treasury shares	(11,730)	(8,850)
Shares held by Employees' Trust Scheme	(9,052)	-
Shareholders' equity	<u>398,274</u>	<u>375,705</u>
Minority Interests	9,816	8,152
Total equity	<u>408,090</u>	<u>383,857</u>
Non Current Liabilities		
Long Term Borrowings	107,400	118,901
Long term payables and deferred income	38,425	38,425
	<u>145,825</u>	<u>157,326</u>
Current Liabilities		
Trade and other payables	67,044	83,339
Current tax payable	7,494	12,414
Borrowings	111,619	169,998
	<u>186,157</u>	<u>265,751</u>
Liabilities directly associated with the assets classified as held for sale	24,796	27,376
	<u>210,953</u>	<u>293,127</u>
Total Liabilities	<u>356,778</u>	<u>450,453</u>
TOTAL EQUITY AND LIABILITIES	764,868	834,310
Net Assets per share attributable to Equity Holders of the Parent (RM)	<u>1.33</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 31 DECEMBER 2007**

	-----Attributable to Equity Holders of the Parent-----					Distributable	Treasury Shares	Shares held by Employees' Trust Scheme	Shareholders' Equity	Minority Interest	Total Equity
	-----Non-distributable Reserves-----										
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Reserve RM'000	Relating to Assets Held for Sale RM'000	Retained Profits/ (Accumulated Losses) 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)	(848)	-	307,848	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)	(848)	-	326,313	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)		(8,002)
At 31 March 2007	320,815	244,909	19,867	-	(329)	(200,707)	(8,850)	-	375,705	8,152	383,857
Profit for the period						36,456			36,456	2,395	38,851
Dividends						(5,652)			(5,652)		(5,652)
Transfer of reserve					329	(329)			-		-
Capital reduction		(220,000)				220,000			-		-
Realisation of post acquisition reserves upon disposal of subsidiaries						3,697			3,697		3,697
Acquisition of additional interests in a subsidiary from minority shareholders									-	(731)	(731)
Treasury shares purchased							(2,880)		(2,880)		(2,880)
Purchase of shares held under Employees' Trust Scheme								(9,052)	(9,052)		(9,052)
At 31 December 2007	320,815	24,909	19,867	-	-	53,465	(11,730)	(9,052)	398,274	9,816	408,090

(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 31 DECEMBER 2007

	Period ended 31/12/2007 RM'000	Period ended 31/12/2006 RM'000 (restated)
Profit before tax from:		
Continuing operations	42,167	55,827
Discontinued operation	6,615	3,991
Adjustment for non-cash flow :-		
Non-cash items	7,320	6,591
Non-operating items (which are investing/financing)	(4,588)	(63,141)
Operating profit before changes in working capital	<u>51,514</u>	<u>3,268</u>
Changes in working capital		
Net change in current assets	56,462	19,572
Net change in liabilities	(16,295)	(20,421)
Land held for development	(730)	1,287
Taxation (paid)/refund	(5,839)	(2,275)
Net cash flows from operating activities	<u>85,112</u>	<u>1,431</u>
Investing Activities		
- Property, plant and equipment	12,402	2,400
- Jointly controlled entities	(19,875)	-
- Other investments	2,760	78,559
- Dividend from an associated company	1,427	-
- Dividend paid	(5,652)	-
- Net cash from disposal of an associated company	10,428	-
- Net cash paid for acquisition of a subsidiary	(300)	(109,429)
- Acquisition of additional interests from minority shareholders	(731)	-
- Net cash from sale of a subsidiaries	9,101	80,000
	<u>9,560</u>	<u>51,530</u>
Financing Activities		
- Bank borrowings	(75,474)	(9,853)
- Equity investments	(11,932)	(2,434)
	<u>(87,406)</u>	<u>(12,287)</u>
Net Change in Cash and Cash Equivalents	7,266	40,674
Cash and Cash Equivalents at beginning of period	28,789	23,328
Cash and Cash Equivalents at end of period	<u>36,055</u>	<u>64,002</u>
Analysis of cash and cash equivalents at end of the financial period:		
Cash and bank balances	42,137	28,916
Deposits with licensed financial institutions	7,217	55,029
Bank overdrafts	(13,640)	(24,968)
	<u>35,714</u>	<u>58,977</u>
Cash and bank balances classified as held for sale	341	5,025
	<u>36,055</u>	<u>64,002</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:

	--Individual Quarter ended 31/12/2006--			--Cumulative Quarter ended 31/12/2006--		
	----- Adjustments-----			----- Adjustments-----		
	Previously stated RM'000	FRS 5 RM'000	Restated RM'000	Previously stated RM'000	FRS 5 RM'000	Restated RM'000
Revenue	71,531	(32,503)	39,028	243,005	(54,886)	188,119
Cost of sales	(46,937)	20,879	(26,058)	(158,147)	36,410	(121,737)
Gross profit	24,594	(11,624)	12,970	84,858	(18,476)	66,382
Other income	2,284	(764)	1,520	3,629	(1,157)	2,472
Employee benefits expense	(7,918)	3,085	(4,833)	(17,532)	5,337	(12,195)
Depreciation and amortisation	(2,452)	961	(1,491)	(5,832)	2,305	(3,527)
Other expenses	(9,565)	3,861	(5,704)	(23,299)	6,588	(16,711)
Profit from operations	6,943	(4,481)	2,462	41,824	(5,403)	36,421
Finance costs	(6,864)	1,000	(5,864)	(18,779)	1,412	(17,367)
Profit before taxation	17,161	(3,481)	13,680	59,818	(3,991)	55,827
Taxation	(1,417)	832	(585)	(10,907)	898	(10,009)
Profit after taxation	15,744	(2,649)	13,095	48,911	(3,093)	45,818
Profit for the period from discontinued operation	-	2,649	2,649	-	3,093	3,093

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 31/12/07 RM'000	Cumulative quarter ended 31/12/07 RM'000
Included in other investing results are :-		
Loss on disposal of a subsidiary	-	(184)
Loss on disposal of an associated company	-	(1,237)
Gain on disposal of subsidiaries	9,934	9,934
Gain on disposal of property, plant & equipment	2,420	2,420
Impairment loss on property & equipment	(1,849)	(1,849)
	<u>10,505</u>	<u>9,084</u>

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 5,000 of its issued share capital of RM1 each from the open market at an average cost of RM1.13 per share. The shares repurchased are retained as treasury shares. As at 31 December 2007, the Company has 13,381,800 ordinary shares held as treasury shares.

A8. Dividends Paid

No dividend was paid during the period under review.

A9. Segmental Reporting

Business segments	-----Period ended 31/12/2007-----				Total RM'000
	Property Development RM'000	Property Investment RM'000	Construction & Engineering RM'000	Investment & others RM'000	
Revenue from continuing operations	171,286	9,916	33,228	4,549	218,979
less : eliminations of inter-segment					(18,977)
Net revenue from continuing operations					200,002
Discontinued operation - hotel operations					4,436
- quarrying & premix					43,154
Total revenue					247,592
Segment results from continuing operations	44,484	1,811	208	2,949	49,452
Head office expenses					(10,154)
Operating profit					39,298
Finance costs					(10,580)
Other investing activities results					9,084
Share of results of associates and jointly controlled entities	1,739	100		2,526	4,365
Profit before taxation					42,167
Taxation					(9,610)
Profit for the period from continuing operations					32,557
Profit for the period from discontinued operation					
- hotel operations					2,316
- quarrying & premix					3,978
Profit for the period					38,851

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

There are no material subsequent events since 31 December 2007.

A12. Changes in the Composition of the Group

There are no changes in the composition of the Group, other than the disposal of Kenneison Construction Materials Sdn Bhd and Kenneison Northern Quarry Sdn Bhd, which were completed on 31 October 2007.

BOLTON BERHAD (5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2007**A13. Discontinued Operation**

On 28 September 2007, the Company entered into a Share Sale Agreement with EMZED Travel & Tours Sdn Bhd ("EMZED") to dispose of Noble Accord Sdn Bhd ("NASB") for a total consideration of RM1,000. Further details of the disposal are disclosed in Note B8(ii).

On 31 October 2007, the Group completed the disposal of the entire equity interests in Kenneison Construction Materials Sdn Bhd and Kenneison Northern Quarry Sdn Bhd as well as the property, plant & equipment of Kenneison Quarries Sdn Bhd, thereby resulting in the divestment of its quarrying and premix operations.

The results of the hotel as well as the quarrying and premix operations are presented on the consolidated income statements as discontinued operations.

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

	Individual quarter ended		Cumulative quarter ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
Revenue	5,259	32,503	47,590	54,886
Operating (loss)/profit	(432)	4,481	7,219	5,403
Finance costs	(85)	(1,000)	(604)	(1,412)
(Loss)/profit before taxation	(517)	3,481	6,615	3,991
Taxation - current year	(172)	(832)	(1,245)	(898)
- reversal of deferred taxation	742	-	924	-
Profit for the period from discontinued operations	53	2,649	6,294	3,093
Cashflow from operating activities			3,479	4,696
Cashflow from investing activities			(22)	(19)
Cashflow from financing activities			(3,199)	(732)
Total cashflows			258	3,945

A14. Changes in contingent liabilities and contingent assets

As at 31 December 2007, there were no material changes in contingent liabilities 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**

For the quarter ended 31 December 2007, the Group achieved a profit before tax of RM23.305 million from a revenue of RM 70.991 million while for the current year to date, the Group achieved a profit before tax of RM42.167 million from a revenue of RM200.002 million.

The main contributor to the profit before tax is the Property Development Division which contributed RM44.484 million to the Group's segmental results.

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

The result of the current quarter is higher than the preceding quarter mainly due to the gain on disposal of the quarry and premix divisions of RM10.5 million. Profit from operations also improved due to higher contribution from the property development division which remains the major contributor to the group profits.

B3. Prospects for the financial year ending 31 March 2008

The Group has refocused its business to property development. Barring any unforeseen circumstances, the directors are confident that the operating profit of the Group (excluding one-off gains) for the financial year ending 31 March 2008 will be better than that of the previous financial year.

B4. Profit Forecast/Profit Guarantee

Not applicable

B5. Taxation

Taxation comprises the following :-

	Individual quarter ended 31/12/07 RM'000	Cumulative quarter ended 31/12/07 RM'000
Current taxation - current year	3,431	9,575
Current taxation - under provision in prior year	<u>35</u>	<u>35</u>
	<u>3,466</u>	<u>9,610</u>

The effective tax rate of the Group for the period under review is lower than the statutory tax rate principally due to exceptional gains which are not subjected to tax.

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 31/12/07 RM'000	Cumulative quarter ended 31/12/07 RM'000
Total purchases	<u>442</u>	<u>1,641</u>
Total sales proceeds	<u>249</u>	<u>2,698</u>
Total profit on disposal	<u>24</u>	<u>439</u>

(b) Investments in quoted securities as at 31 December 2007 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	121,042	42,530	42,915
Other investments	<u>5,606</u>	<u>5,279</u>	<u>6,048</u>
Total quoted investments	<u>126,648</u>	<u>47,809</u>	<u>48,963</u>

B8. Corporate Developments

- (i) CIMB Investment Bank Berhad, on behalf of the Company, had on 31 July 2007 announced that the Company proposed to undertake a non-renounceable offer for sale ("OFS") of part of the Company's interest in Symphony House Berhad ("Symphony") to the shareholders of the Company on the basis of 2 Symphony ordinary shares of RM0.10 each for every 5 ordinary shares of RM1.00 each held in the Company. The OFS was completed on 31 January 2008 with a total of 36,906,535 shares sold.
- (ii) (a) The Company had on 28 September 2007 announced that NASB has entered into a Sale and Purchase Agreement with EMZED for the proposed disposal by NASB, of 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 together with the fixtures and fittings for a total cash consideration of RM26.0 million.
- (b) The Company had on 28 September 2007 announced that it had entered into a Share Sale Agreement with EMZED for the proposed disposal of its 2,500,000 ordinary shares of RM1.00 each in NASB, representing 100% equity interest in NASB to EMZED for a nominal cash consideration of RM1,000.
EMZED has obtained the approval from FIC for the proposed hotel disposal on 9th November 2007 and the proposed NASB disposal on 19th November 2007.
- (iii) The Company had on 19 December 2007 announced that it had entered into a Share Sale Agreement with Valentvest Sdn Bhd for the proposed disposal of its 17,102,883 ordinary shares of RM1.00 each in Lim Thiam Leong Realty Sdn Bhd ("LTLR") for a total cash consideration of RM50,351,289. Simultaneously, the Company also entered into an Assignment of Debts Agreement with Valentvest Sdn Bhd for the recovery of the assigned debts of LTLR on the completion date of the proposed disposal. The proposed disposal is pending approval from FIC.

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(Incorporated in Malaysia)
Unaudited interim report for the period ended 31 December 2007

B9. Group borrowings

Particulars of the Group's borrowings as at 31 December 2007 are as follows :-

	RM'000
Short term bank borrowings -	
Secured	100,753
Unsecured	10,866
Long term bank borrowings	
Secured	47,400
Unsecured	60,000
Total Group borrowings	<u>219,019</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 interim dividend has been declared during the quarter under review.

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31/12/07	31/12/06	31/12/07	31/12/06
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Profit from continuing operations	18,974	12,530	30,162	44,479
Profit from discontinued operation	53	2,649	6,294	3,093
Profit for the period attributable to the ordinary equity holders of the parent	<u>19,027</u>	<u>15,179</u>	<u>36,456</u>	<u>47,572</u>
Weighted average number of ordinary shares excluding treasury shares and shares held by Employees' Trust Scheme	301,579	318,358	306,779	317,873
Basic earnings per share (sen) for :				
Profit from continuing operations	6.29	3.94	9.83	13.99
Profit from discontinued operation	0.02	0.83	2.05	0.97
Profit for the period	<u>6.31</u>	<u>4.77</u>	<u>11.88</u>	<u>14.97</u>

BY ORDER OF THE BOARD

LIM SENG YON
WONG WAI FONG
Secretaries

Kuala Lumpur
28 February 2008