

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

Interim Financial Report  
First Quarter Ended 30 June 2008

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2008**

	Individual quarter ended		Cumulative quarter ended	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	87,332	84,233	87,332	84,233
Cost of sales	(59,523)	(58,097)	(59,523)	(58,097)
Gross profit	<u>27,809</u>	<u>26,136</u>	<u>27,809</u>	<u>26,136</u>
Other income	1,059	2,612	1,059	2,612
Employee benefits expense	(4,841)	(4,651)	(4,841)	(4,651)
Depreciation and amortisation	(820)	(1,331)	(820)	(1,331)
Other expenses	(7,191)	(7,179)	(7,191)	(7,179)
Profit from operations	<u>16,016</u>	<u>15,587</u>	<u>16,016</u>	<u>15,587</u>
Finance costs	(2,434)	(4,588)	(2,434)	(4,588)
Other investing activities results	(165)	(184)	(165)	(184)
Share of results of associates and jointly controlled entities	880	727	880	727
Profit before taxation	<u>14,297</u>	<u>11,542</u>	<u>14,297</u>	<u>11,542</u>
Taxation	(4,948)	(3,401)	(4,948)	(3,401)
<b>Profit for the period from continuing operations</b>	<u>9,349</u>	<u>8,141</u>	<u>9,349</u>	<u>8,141</u>
<b>Discontinued Operations</b>				
Profit for the period from discontinued operations	-	345	-	345
<b>Profit for the period</b>	<u>9,349</u>	<u>8,486</u>	<u>9,349</u>	<u>8,486</u>
<b>Attributable to :</b>				
Equity holders of the parent	8,650	8,068	8,650	8,068
Minority interests	699	418	699	418
	<u>9,349</u>	<u>8,486</u>	<u>9,349</u>	<u>8,486</u>
Earnings per share attributable to equity holders of the parent :	sen	sen	sen	sen
Basic, for profit from continuing operations	2.92	2.49	2.92	2.49
Basic, for profit from discontinued operations	-	0.11	-	0.11
Basic, for profit for the period	<u>2.92</u>	<u>2.60</u>	<u>2.92</u>	<u>2.60</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 March 2008 and the accompanying notes attached to the interim financial statements)**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>Unaudited As at 30/06/2008 RM'000</b>	<b>Audited As at 31/03/2008 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	38,055	38,443
Land held for property development	81,846	84,845
Investment properties	14,558	14,574
Prepaid land lease payments	28,545	28,878
Goodwill	1,852	1,852
Investment in associates	325	325
Investment in jointly controlled entities	67,720	66,840
Other investments	31,364	37,847
Deferred tax assets	6,362	5,386
	<u>270,627</u>	<u>278,990</u>
<b>Current Assets</b>		
Property development costs	193,012	175,848
Inventories	63,035	65,401
Short term investments	1,740	4,319
Trade and other receivables	99,413	115,122
Tax recoverable	6,038	7,005
Cash and bank balances	48,804	60,529
	<u>412,042</u>	<u>428,224</u>
Assets of disposal group classified as held for sale	<u>46,311</u>	<u>46,311</u>
	<u>458,353</u>	<u>474,535</u>
<b>TOTAL ASSETS</b>	<u>728,980</u>	<u>753,525</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	320,815	320,815
Share premium	24,909	24,909
Treasury shares	(13,400)	(13,023)
Other reserves	3,464	3,464
Retained profits	68,995	60,345
Shares held by ESTS Trust	(11,418)	(11,418)
Amounts recognised directly in equity relating to assets classified as held for sale	<u>16,403</u>	<u>16,403</u>
Shareholders' equity	409,768	401,495
Minority Interests	9,871	9,172
Total equity	<u>419,639</u>	<u>410,667</u>
<b>Non-current Liabilities</b>		
Borrowings	33,722	101,472
Other payables and deferred income	38,132	38,132
	<u>71,854</u>	<u>139,604</u>
<b>Current Liabilities</b>		
Trade and other payables	89,209	112,303
Borrowings	140,905	83,840
Current tax payable	5,145	4,883
	<u>235,259</u>	<u>201,026</u>
Liabilities directly associated with the assets classified as held for sale	<u>2,228</u>	<u>2,228</u>
	<u>237,487</u>	<u>203,254</u>
Total Liabilities	<u>309,341</u>	<u>342,858</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>728,980</u>	<u>753,525</u>
Net Assets per share attributable to Equity Holders of the Parent (RM)	<u>1.39</u>	<u>1.36</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2008 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 2008**

	Attributable to Equity Holders of the Parent							Distributable	Shareholders' Equity	Minority Interests	Total Equity
	Non-distributable Reserves					Relating to Assets Held for Sale	Shares held by ESTS Trust				
	Share Capital	Share Premium	Treasury Shares	Capital Reserve	Exchange Reserve	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30.06.2007</b>											
Balance at 1 April 2007	320,815	244,909	(8,850)	19,867	-	(329)	-	(200,707)	375,705	8,152	383,857
Profit for the period								8,068	8,068	418	8,486
Transfer of reserves						329		(329)	0		0
Treasury shares purchased			(546)						(546)		(546)
Balance at 30 June 2007	<u>320,815</u>	<u>244,909</u>	<u>(9,396)</u>	<u>19,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,968)</u>	<u>383,227</u>	<u>8,570</u>	<u>391,797</u>
<b>3 months ended 30.06.2008</b>											
Balance at 1 April 2008	320,815	24,909	(13,023)	3,464	-	16,403	(11,418)	60,345	401,495	9,172	410,667
Profit for the period								8,650	8,650	699	9,349
Transfer of reserves									0		0
Treasury shares purchased			(377)						(377)		(377)
Balance at 30 June 2008	<u>320,815</u>	<u>24,909</u>	<u>(13,400)</u>	<u>3,464</u>	<u>-</u>	<u>16,403</u>	<u>(11,418)</u>	<u>68,995</u>	<u>409,768</u>	<u>9,871</u>	<u>419,639</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2008**

	Quarter ended 30/06/2008 RM'000	Quarter ended 30/06/2007 RM'000
Profit before tax from:		
Continuing operations	14,297	11,542
Discontinued operations	-	345
Adjustment for non-cash flow :-		
Non-cash items	971	765
Non-operating items (which are investing/financing)	(878)	(674)
Operating profit before changes in working capital	<u>14,390</u>	<u>11,978</u>
Changes in working capital		
Net change in current assets	913	33,844
Net change in current liabilities	(23,094)	(10,919)
Land held for property development	2,999	(246)
Taxation paid/(refund)	(4,696)	(1,418)
Net cash flows from operating activities	<u>(9,488)</u>	<u>33,239</u>
Investing Activities		
- Property, plant and equipment	(72)	2,491
- Jointly controlled entities	-	(19,875)
- Other investments	6,400	606
- Short term investments	2,497	-
- Dividend from an associated company	-	1,427
- Net cash from sale of subsidiaries	-	1,109
	<u>8,825</u>	<u>(14,242)</u>
Financing Activities		
- Bank borrowings	(13,750)	(2,387)
- Equity investments	(377)	(546)
	<u>(14,127)</u>	<u>(2,933)</u>
Net Change in Cash and Cash Equivalents	(14,790)	16,064
Cash and Cash Equivalents at beginning of period	49,914	28,789
Cash and Cash Equivalents at end of period	<u>35,124</u>	<u>44,853</u>
Analysis of cash and cash equivalents at end of the financial period:		
Cash and bank balances	46,587	38,340
Deposits with licensed financial institutions	2,217	13,257
Bank overdrafts	(13,680)	(6,826)
	<u>35,124</u>	<u>44,771</u>
Cash and bank balances classified as held for sale	-	82
	<u>35,124</u>	<u>44,853</u>

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008 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 2008.

**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.

On 1 April 2008, the Group adopted the following new/revised FRSs mandatory for the financial periods beginning on or after 1 January 2008.

- FRS 107 - Cash Flow Statements
- FRS 111 - Construction Contracts
- FRS 112 - Income Taxes
- FRS 118 - Revenue
- FRS 134 - Interim Financial Reporting
- FRS 137 - Provisions, Contingent Liabilities and Contingent Assets

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

**A3. Audit Qualification**

The audit report of the Group's most recent annual audited financial statements for the year ended 31 March 2008 was not qualified.

**A4. Seasonality or Cyclical Factors**

There were no material seasonal or cyclical factors which affect the results of the operations for the quarter under review.

**A5. Exceptional items**

	<b>Individual quarter ended 30/06/08 RM'000</b>	<b>Cumulative quarter ended 30/06/08 RM'000</b>
Included in other investing results were :-		
- Loss on disposal of quoted investments	(12)	(12)
- Impairment loss on - short term investments	(164)	(164)
- Gain on disposal of property, plant & equipment	11	11
	<u>(165)</u>	<u>(165)</u>

**A6. Changes in estimates**

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

**A7. Debt and Equity Securities**

During the current financial quarter, the Company repurchased 424,100 of its issued share capital of RM1 each from the open market at an average cost of RM0.89 per share. The shares repurchased were retained as treasury shares. As at 30 June 2008, the Company had 15,210,100 ordinary shares held as treasury shares.

**A8. Dividends Paid**

No dividend was paid during the period under review.

**BOLTON BERHAD (5572-H)**  
(Incorporated in Malaysia)  
**Unaudited interim report for the period ended 30 June 2008**

**A9. Segmental Reporting**

Business segments	-----Period ended 30/06/2008-----					Total RM'000
	Property Development RM'000	Property Investment RM'000	Construction RM'000	Quarry Operations RM'000	Other Operations RM'000	
Revenue from continuing operations	79,956	2,895	19,085	725	21	102,682
Less : Eliminations of inter-segment						(15,350)
Net revenue from continuing operations						87,332
Discontinued operations						-
Total revenue						87,332
<b>Continuing operations</b>						
Segment results from continuing operations	18,782	708	633	256	297	20,676
Head office expenses						(4,660)
Operating profit						16,016
Finance costs						(2,434)
Other investing activities results						(165)
Share of results of associates and jointly controlled entities	880	-	-	-	-	880
Profit before taxation						14,297
Taxation						(4,948)
Profit for the period from continuing operations						9,349
<b>Discontinued operations</b>						
Profit for the period from discontinued operations						-
<b>Profit for the period</b>						<b>9,349</b>

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 2008. The carrying value was 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 as disclosed in Note B8, there were no material subsequent events since 30 June 2008.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A13. Changes in contingent liabilities and contingent assets**

As at 30 June 2008, there were no material changes in contingent liabilities since the last annual audited balance sheet as at 31 March 2008. There was no contingent asset as at 30 June 2008.

**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS.**

**B1. Review of Performance**

For the quarter ended 30 June 2008, the Group achieved a profit before tax of RM14.297 million from a revenue of RM87.332 million. The main contributor to the Group's results continues to be the Property Development business which contributed approximately 91% of the Group's results.

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

The result of the current quarter was higher than the immediate preceding quarter mainly due to higher turnover from the property development business.

**B3. Prospects for the financial year ending 31 March 2009**

The prospect for the financial year ending 31 March 2009 is expected to be challenging in view of the slow down in the global and domestic economy. The increase in the prices of petrol and food has dampened household spending and coupled with the rise in building material costs will put pressure on the Group's margin in the short term.

With the expected slow down in GDP growth in 2008, the second half of the year is expected to be more challenging for the Group. However, with the strategies that the Group has put in motion to mitigate the increase costs and slow down in demand, the directors are confident that the Group will register a satisfactory performance for the financial year ending 31 March 2009.

**B4. Profit Forecast/Profit Guarantee**

Not applicable

**B5. Taxation**

Taxation comprises the following :-

	Individual quarter ended 30/06/08 RM'000	Cumulative quarter ended 30/06/08 RM'000
Current taxation - current year	3,976	3,976
- underprovision in prior year	972	972
	<u>4,948</u>	<u>4,948</u>

The effective tax rate of the Group for the period under review is higher than the statutory tax rate due to underprovision in prior year and losses of some subsidiaries which cannot be set off against taxable profits of other companies.

**B6. Sale of unquoted investments and properties**

For the current quarter under review, there were 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 were as follows :-

	Individual quarter ended 30/06/08 RM'000	Cumulative quarter ended 30/06/08 RM'000
Total purchases	278	278
Total sales proceeds	9,163	9,163
Total loss on disposal	<u>(12)</u>	<u>(12)</u>

(b) Investments in quoted securities as at 30 June 2008 were as follows :-

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Quoted in Malaysia			
Other investments	<u>72,099</u>	<u>22,522</u>	<u>24,824</u>



**B8. Corporate Developments**

- (i) The Company had on 19 December 2007 announced that it had entered into a Share Sale Agreement ("SSA") with Valentvest Sdn Bhd ("the Purchaser") 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 the Purchaser for the recovery of the assigned debts of LTLR on the completion date of the proposed disposal. However, the SSA was terminated on 28 April 2008 due to non-compliance of the terms and conditions of the SSA by the Purchaser. Subsequent to the termination, the deposit less agreed amount was refunded to the purchaser.

**B9. Group borrowings**

Particulars of the Group's borrowings as at 30 June 2008 were as follows :-

	RM'000
Short term bank borrowings -	
Secured	80,880
Unsecured	60,025
Long term bank borrowings	
Secured	33,700
Unsecured	22
Total Group borrowings	<u>174,627</u>

All borrowings are denominated in Ringgit Malaysia.

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risks as at the date of this report.

**B11. Material Litigation**

There is no material litigation pending as at the date of this report.

**B12. Dividends Proposed**

The Board of Directors has recommended a final dividend of 3.0 sen per share less 26% tax in respect of the financial year ended 31 March 2008 (2007: 2.5 sen).

At the Annual General Meeting held on 12 August 2008, the shareholders approved the payment of dividend to be paid on 16 September 2008.

**B13. Earnings per share**

	Individual quarter ended		Cumulative quarter ended	
	30/06/08 RM'000	30/06/07 RM'000 (restated)	30/06/08 RM'000	30/06/07 RM'000 (restated)
Profit from continuing operations	8,650	7,723	8,650	7,723
Profit from discontinued operations	-	345	-	345
Profit for the period/year attributable to the ordinary equity holders of the parent	<u>8,650</u>	<u>8,068</u>	<u>8,650</u>	<u>8,068</u>
Weighted average number of ordinary shares excluding treasury shares and shares held by Employees' Trust Scheme ('000)	295,751	310,094	295,751	310,094
Basic earnings per share (sen) for :				
Profit from continuing operations	2.92	2.49	2.92	2.49
Profit from discontinued operations	-	0.11	-	0.11
Profit for the period/year	<u>2.92</u>	<u>2.60</u>	<u>2.92</u>	<u>2.60</u>

**LIM SENG YON**  
**WONG WAI FONG**  
Secretaries

Kuala Lumpur