

## NV Multi Corporation Berhad

( Company No: 204888-D)



### Condensed consolidated income statements

For the period ended 30 September 2002

	3 months ended 30 September		9 months ended 30 September	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
<b>Revenue</b>	44,603	42,105	106,990	106,133
<b>Operating profit</b>	13,364	11,310	27,186	26,994
Interest expense	(60)	(66)	(153)	(391)
Interest income	10	107	197	297
Share of profit of associates	12	28	134	113
<b>Profit before taxation</b>	13,326	11,379	27,364	27,013
Taxation	(3,734)	(3,152)	(7,662)	(7,529)
<b>Profit after taxation</b>	9,592	8,227	19,702	19,484
Less: Minority interests	(669)	(691)	(1,596)	(1,604)
<b>Net profit for the period</b>	8,923	7,536	18,106	17,880
<b>Basic earnings per ordinary share (sen)</b>	13.04	10.77	26.42	25.54
<b>Diluted earnings per ordinary share (sen)</b>	-	-	-	-

The Condensed consolidated income statement should be read in conjunction with audited Annual Financial Report of the Group for the year ended 31 December 2001

**NV Multi Corporation Berhad**  
( Company No: 204888-D)



**Condensed consolidated balance sheet**  
At 30 September 2002

	30 September 2002 RM'000	31 December 2001 RM'000
<b>Property, plant and equipment</b>	28,070	28,161
<b>Investments in associates</b>	194	45
<b>Intangible assets</b>	354	423
	28,618	28,629
<b>Current assets</b>		
Development properties	-	1,987
Development expenditures	56,711	50,996
Inventories	45,347	46,811
Trade and other receivables	92,724	55,498
Other investments	346	43,396
Cash and cash equivalents	8,077	6,273
	203,205	204,961
<b>Current liabilities</b>		
Trade and other payables	46,007	49,145
Short term borrowings	648	605
Taxation	4,362	9,831
	51,017	59,581
<b>Net current assets</b>	152,188	145,380
	180,806	174,009
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	70,000	70,000
Reserves		
Share premium	21,603	21,603
Revaluation reserve	10,601	10,601
Retained profit	43,596	37,920
Treasury shares	(7,258)	-
	138,542	140,124
<b>Minority shareholders' interests</b>	11,342	9,204
<b>Long term and deferred liabilities</b>		
Long term borrowings	1,256	1,190
Deferred taxation	863	863
Other long term liabilities	28,803	22,628
	30,922	24,681
	180,806	174,009
<b>Net tangible assets per share (RM)</b>	2.20	2.00

The Condensed consolidated balance sheet should be read in conjunction with audited Annual Financial Report of the Group for the year ended 31 December 2001

**NV Multi Corporation Berhad**

( Company No: 204888-D)

**Condensed consolidated statement of changes in equity**  
**For the nine months ended 30 September 2002**

	Non- distributable RM'000	-----Distributable----- Retained Profits RM'000	Treasury Shares RM'000	Total RM'000
At 1 January 2002	102,204	32,880	-	135,084
MASB 19 adjustments	-	5,040	-	5,040
Restated balance	102,204	37,920	-	140,124
Share buy back	-	-	(7,258)	(7,258)
Net profit for the nine months period	-	18,106	-	18,106
Dividends	-	(12,430)	-	(12,430)
<b>At 30 September 2002</b>	<b>102,204</b>	<b>43,596</b>	<b>(7,258)</b>	<b>138,542</b>

The Condensed consolidated statement of changes in equity should be read in conjunction with audited Annual Financial Report of the Group for the year ended 31 December 2001

**NV Multi Corporation Berhad**

( Company No: 204888-D)

**Condensed consolidated cash flow statement**  
**For the nine months ended 30 September 2002**

	<b>30 September 2002</b>
	<b>RM'000</b>
<b>Net profit before tax</b>	27,364
<b>Adjustment for non-cash flow items</b>	2,276
<b>Operating profit before changes in working capital</b>	29,640
<b>Changes in working capital</b>	
Net change in current assets	(39,490)
Net change in current liabilities	3,037
<b>Cash generated from operations</b>	(6,813)
Income taxes paid	(13,093)
<b>Net cash flows from operating activities</b>	(19,906)
<b>Investing Activities</b>	
Interest received	197
Purchase of property, plant and equipment	(2,305)
Proceeds from disposal of property, plant and equipment	72
Other investments	429
	(1,607)
<b>Financing Activities</b>	
Shares buy back	(7,258)
Net borrowings	108
Interest paid	(153)
Dividends paid	(12,430)
	(19,733)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(41,246)
<b>Cash and cash equivalents at 1 January</b>	49,669
<b>Cash and cash equivalents at 30 September</b>	8,423

The Condensed consolidated cash flow statement should be read in conjunction with audited Annual Financial Report of the Group for the year ended 31 December 2001



## **Notes to the interim financial report**

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### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2001.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2001 except for the adoption of MASB 19, Events After Balance Sheet Date whereby the comparative figures have been restated to reflect the impact of the non-recognition of dividends proposed after the balance sheet date. The effect of the change is disclosed in the condensed consolidated statement of changes in equity.

### **2. Qualified financial statements**

The preceding financial statements for the year ended 31 December 2001 were reported without any qualification.

### **3. Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows**

There was no unusual item affecting the Group for the current financial period ended 30 September 2002.

### **4. Nature and amount of changes in estimates**

There were no changes in estimates of amounts, which give a material effect in the current financial period ended 30 September 2002.

### **5. Issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as Treasury shares and resale of treasury shares**

The total number of shares bought back was 1,582,000 shares from the open market at an average price of RM4.56 per share and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

## NV MULTI CORPORATION BERHAD

(Company No: 204888-D)



Other than as disclosed above, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2002.

### 6. Valuation of property, plant and equipment.

The valuations of property have been brought forward without amendment from the previous annual audited financial statements for the financial year ended 31 December 2001.

### 7. Sale of Investments and/or Properties

There were no sales of investments or properties for the current quarter and financial year to date except as disclosed in Note 10 (a) and (d) below.

### 8. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

### 9. Taxation

The taxation charges of the Group for the current financial period ended 30 September 2002 were as follows:-

	<b>Current Quarter RM'000</b>	<b>Current Year To Date RM'000</b>
Malaysian taxation	3,734	7,662
Under or over provision of taxation in respect of prior years	-	-
Provision for deferred taxation	-	-
<b>Total</b>	<b>3,734</b>	<b>7,662</b>



## **10. Changes in composition of the Group**

- (a) As announced on 11 April 2002, the Company has completed the transfer of 250,000 ordinary shares of RM1.00 each equivalent to 5% equity interest in NV Care Sdn Bhd (“NVC”) to Credence Image Sdn Bhd in accordance to the Conditional Sales and Purchase Agreement entered on 28 October 1998. After the transfer, NVC becomes a 51% owned subsidiary company of the Company.
- (b) As announced on 8 May 2002, the Company has on 2 May 2002, acquired the entire issued and paid-up share capital of RM2.00 in Quality Purpose Sdn Bhd, a company incorporated in Malaysia, at a purchase consideration of RM2.00.
- (c) As announced on 21 May 2002, a wholly-owned subsidiary, Nirvana Memorial Park Sdn Bhd (“NIR”) (formerly known as Nir-Warna Sdn Bhd), has on 20 May 2002 entered into an agreement with Virtue Corporation Sdn Bhd, a company incorporated in Malaysia, for the appointment of NIR as a Corporate Manager to manage, develop, market and finance the cemetery development over a portion of land held under Grant 20046 for Lot 33572, Mukim Ulu Kinta, District of Kinta, Perak measuring approximately 100 acres owned by Popular Growth Sdn Bhd, a company incorporated in Malaysia.
- (d) As announced on 23 May 2002, a wholly-owned subsidiary, Nirvana Memorial Park (Klang) Sdn Bhd (“NIRKG”) (formerly known as Nirvana Landscape Sdn Bhd and formerly known as Nir-Warna Landscape Sdn Bhd), has on the same date disposed of its 40% equity interest or equivalent to 40 ordinary shares of RM1.00 each in Public Acres Sdn Bhd for a total consideration of RM113,000 at a gain of RM275. Upon completion of the said disposal, Public Acres Sdn Bhd ceased to be an associated company of NIRKG.
- (e) As announced on 3 July 2002, a wholly-owned subsidiary company, Nirvana Memorial Park (Penang) Sdn Bhd, has on 1 July 2002 entered into a Conditional Joint Venture Agreement with Kebun Ngohoch (PW) Sdn Bhd, a company incorporated in Malaysia, to jointly develop parcels of land held under Mukim 3 & 4, District of Seberang Perai Selatan, State of Penang, measuring approximately 262 acres into a non-Muslim cemetery.
- (f) As announced on 19 July 2002, the Company has on 17 July 2002 entered into a Memorandum of Understanding (“MOU”) with PT. Daya Kencanasia, a company incorporated in Jakarta, Indonesia, with the intention to jointly develop 50 hectares of land situated at Karawang Barat, Jakarta, Indonesia, into a memorial park.

Subsequently, as announced on 28 October 2002, the Company has terminated the said MOU.

## NV MULTI CORPORATION BERHAD

(Company No: 204888-D)



- (g) As announced on 16 August 2002, the wholly-owned subsidiary company, NIRKG, as on 15 August 2002 entered into a Joint Venture Agreement with the Hokkien Association, Kelang (“the Association”), to jointly develop the land held under H.S.(D) 24191 for P.T. No. 3283, Mukim Kapar, Daerah Klang, Selangor measuring approximately 68.30 acres into a non-Muslim oriental cemetery with the intention to market burials plots and cinerary urn niches to members of the Association and their immediate family and the general public.
- (h) As announced on 28 October 2002, a subsidiary company, NV Multi Corporation (Hong Kong) Limited (“NVHK”), has on 26 October 2002 entered into a Conditional Joint-Venture Agreement with PT Alam Hijau Lestari to jointly venture into bereavement care business and jointly develop an approximately 30 hectares of land situated at Desa Margakaya, Kecamatan Telukjambe, Kabupaten Karawang, Jakarta, Indonesia into a cemetery.
- (i) As announced on 29 October 2002, NVHK has on 3 September 2002 obtained the approval to incorporate a wholly-owned subsidiary in The People’s Republic of China, namely, NV World-Wide Information Consultancy Co Ltd (“NV World-Wide”). Subsequently, on 26 September 2002, NV World-Wide has been granted a business license for 20 years.

### 11. Contingent Liabilities or contingent assets

- a) There is a guarantee of RM1.0 million given for a joint venture partner in the event that development in the joint venture land is aborted.
- b) There is a guarantee of RM18.1 million as at 30 September 2002 for end-financing facilities granted to purchasers of the Group.

The above contingent liabilities are not secured against any of the Group’s assets.

- c) There are two legal suits amounting to RM616,590 and RM2,006,195 respectively, against two subsidiary companies, which the solicitors are of the view that the claims are unfounded and in any event completely inflated.

### 12. Pending material litigation

Save as disclosed in Note 11 (c) above, there is no other pending litigation as at the date of this announcement.



## NV MULTI CORPORATION BERHAD

(Company No: 204888-D)



### 13. Subsequent events

Other than those disclosed in Note 10 (f), (h) and (i) below, there are no material events subsequent to the end of 30 September 2002.

### 14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2002 are as follows:

	<b>RM'000</b>
Property, plant and equipment:	
- Authorized and contracted for	<u>15,120</u>
Investment	
- Authorized and contracted for	<u>4,441</u>

### 15. Seasonal or cyclical factors

The Group's business operations are generally affected in the first quarter of the year as the Chinese celebrate Chinese New Year in the 1st quarter of each calendar year.

### 16. Segmental reporting

In respect of the current financial period ended 30 September 2002.

Analysis by Activity:

	<b>Turnover</b>	<b>Profit before taxation</b>	<b>Total assets employed</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bereavement care	105,706	27,167	228,515
Housing development	1,284	63	3,114
	<b>106,990</b>	<b>27,230</b>	<b>231,629</b>
Associated companies	-	134	194
<b>Total</b>	<b>106,990</b>	<b>27,364</b>	<b>231,823</b>



**17. Comparison with Preceding Quarter**

The Group registered a turnover of RM44.6 million and a pre-tax profit of RM13.3 million in current quarter as compared to RM35.1 million and RM8.3 million in the preceding quarter, an increase of RM9.5 million or 27.1% and RM5.0 million or 60.2% respectively. The improvement was due to stronger demand for the Group's pre-need products and services.

**18. Review of Performance**

The Group recorded a turnover of RM44.6 million for the current quarter ended 30 September 2002 as compared to RM42.1 million in the preceding year corresponding quarter ended 30 September 2001, an increase of RM2.5 million or 5.9%. The better performance was largely due to improve in sales for the Group's pre-need products and services.

The Group recorded a pre-tax profit of RM13.3 million in the current quarter ended 30 September 2002 as compared to RM11.4 million in the preceding year corresponding quarter. Higher sales in memorial parks products mainly contributed to margin improvement and hence pre-tax profit for the period under review.

In the opinion of the Directors, there has not arisen any item, transaction or event of a material and unusual nature from the date of the current financial period ended 30 September 2002 to the date of this announcement which, is likely to substantially affect the results of the operations of the Group for the period ended 30 September 2002.

**19. Prospects**

Barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance in next quarter.

**20. Variance of Actual Profit from Forecast Profit and Shortfall in the Profit Guarantee**

There were no profit forecast or profit guarantee given for this financial year ending 31 December 2002.

# NV MULTI CORPORATION BERHAD

(Company No: 204888-D)



## 21. Group Borrowings as at 30 September 2002

All borrowings are unsecured: -

	<i>RM'000</i>
<b>Hire Purchase and Lease Creditors:-</b>	
Payable within next 1 year	648
Payable after next 1 year	1,256
<b>Total</b>	<b>1,904</b>

## 22. Other Long Term Liabilities

This represents the provision of cost in providing funeral packages recognized as revenue but not performed.

## 23. Financial Instruments

Other than as disclosed in Note 11 (b), there are no financial instruments with off balance sheet risk that the Group is aware of as at the date of this announcement.

## 24. Status of Corporate Proposals

There was no corporate proposal announced or pending completion as at the date of this announcement

## 25. Dividend

	<b>9 months ended 30 September</b>	
	<b>2002</b>	<b>2001</b>
<b>Interim:</b>		
Amount per share (RM)	10% less 28% income tax	5% less 28% income tax
Entitlement date	19 August 2002	27 September 2001
Payment date	3 September 2002	12 October 2001
<b>Special:</b>		
Amount per share (RM)	5% less 28% income tax	Nil
Entitlement date	19 August 2002	
Payment date	3 September 2002	

## NV MULTI CORPORATION BERHAD

(Company No: 204888-D)



### 26. Earnings per share

	<b>Current Quarter RM'000</b>	<b>Current Year To Date RM'000</b>
<u>Basic earnings per share</u>		
Net profit for the period (RM'000)	8,923	18,106
Issued ordinary shares at beginning of the period ('000)	70,000	70,000
Weighted average number of ordinary shares ('000)	68,418	68,530
Basic earnings per share (sen)	13.04	26.42

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, diluting to its basic earning per share.