

NV Multi Corporation Berhad

(Company No: 204888-D)



Condensed consolidated income statements

For the year ended 31 December 2002

	3 months ended 31 December		12 months ended 31 December	
	2002 RM'000	2001 RM'000	Unaudited 2002 RM'000	Audited 2001 RM'000
Revenue	38,196	35,900	145,186	142,033
Operating profit	10,678	9,253	37,864	36,126
Interest expense	(95)	(73)	(248)	(342)
Interest income	8	289	205	586
Share of profit of associates	(62)	9	72	99
Profit before taxation	10,529	9,478	37,893	36,469
Taxation	(3,703)	(2,779)	(11,365)	(10,906)
Profit after taxation	6,826	6,699	26,528	25,563
Less: Minority interests	(630)	(836)	(2,226)	(2,373)
Net profit for the period	6,196	5,863	24,302	23,190
Basic earnings per ordinary share (sen)	9.06	8.38	35.48	33.13
Diluted earnings per ordinary share (sen)	-	-	-	-

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

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Condensed consolidated balance sheet
At 31 December 2002

	Unaudited 31 December 2002 RM'000	Audited 31 December 2001 RM'000
Property, plant and equipment	27,552	28,161
Investments in associates	170	45
Intangible assets	342	423
	28,064	28,629
Current assets		
Development properties	-	1,987
Development expenditures	60,363	50,996
Inventories	45,989	46,811
Trade and other receivables	100,651	55,498
Other investments	829	43,396
Cash and cash equivalents	5,231	6,273
	213,063	204,961
Current liabilities		
Trade and other payables	47,120	49,145
Borrowings	1,440	605
Taxation	4,206	9,831
	52,766	59,581
Net current assets	160,297	145,380
	188,361	174,009
Financed by:		
Capital and reserves		
Share capital	70,000	70,000
Reserves		
Share premium	21,603	21,603
Revaluation reserve	10,601	10,601
Retained profit	49,792	37,920
Treasury shares	(7,258)	-
	144,738	140,124
Minority shareholders' interests	11,393	9,204
Long term and deferred liabilities		
Borrowings	1,055	1,190
Deferred taxation	863	863
Other long term liabilities	30,312	22,628
	32,230	24,681
	188,361	174,009
Net tangible assets per share (RM)	2.11	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

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Condensed consolidated statement of changes in equity

For the twelve months ended 31 December 2002

	Non-distributable RM'000	Distributable Retained Profits 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 twelve months period	-	24,302	24,302
Dividends	-	(12,430)	(12,430)
At 31 December 2002	102,204	42,534	144,738

(Note: There are no comparative figures as this is the first interim financial report prepared in accordance with *MASB 26 Interim Financial Reporting*)

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

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**Condensed consolidated cash flow statement**

For the twelve months ended 31 December 2002

	Unaudited 31 December 2002 RM'000	Audited 31 December 2001 RM'000
Net profit before tax	37,893	36,469
Adjustment for non-cash flow items	3,327	2,854
Operating profit before changes in working capital	41,220	39,323
Changes in working capital		
Net change in current assets	(51,711)	(10,464)
Net change in current liabilities	5,659	23,412
Cash generated from operations	(4,832)	52,271
Income taxes paid	(16,970)	(6,673)
Net cash flows from operating activities	(21,802)	45,598
Investing Activities		
Interest received	205	586
Purchase of property, plant and equipment	(2,623)	(12,646)
Proceeds from disposal of property, plant and equipment	72	1,082
Proceeds from disposal of investments	363	6,003
Other investments	-	84
	(1,983)	(4,891)
Financing Activities		
Shares buy back	(7,258)	-
Net borrowings	(67)	(1,573)
Interest paid	(248)	(342)
Amount due to associated companies	-	329
Dividends paid	(13,019)	(8,050)
	(20,592)	(9,636)
Net increase/(decrease) in cash and cash equivalents	(44,377)	31,071
Cash and cash equivalents at 1 January	49,509	18,438
Cash and cash equivalents at 31 December	5,132	49,509

(Note: There are no comparative figures as this is the first interim financial report prepared in accordance with *MASB 26 Interim Financial Reporting*)

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

A1. 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.

A2. Qualified financial statements

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

A3. Seasonal or cyclical factors

The target market of the Group is the Chinese population. Therefore, 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.

A4. 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 year ended 31 December 2002.

A5. Nature and amount of changes in estimates

There were no changes in estimates of amounts, which give a material effect in the current financial year ended 31 December 2002.

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A6. 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.

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 year ended 31 December 2002.

A7. Dividend Paid

The following dividends were paid during the current financial year:

- (ii) A special dividend of 10% less 28% income tax for the financial year ended 31 December 2002 was paid on 14 January 2002.
- (iii) An interim dividend of 10% less 28% income tax and a special dividend of 5% less 28% income tax for the financial year ended 31 December 2002 were paid on 3 September 2002.

A8. Segmental reporting

In respect of the current financial year ended 31 December 2002.

Analysis by Activity:

	Turnover	Profit before taxation	Total assets employed
	RM'000	RM'000	RM'000
Bereavement care	143,902	37,800	238,790
Housing development	1,284	21	2,167
	145,186	37,821	240,957
Associated companies	-	72	170
Total	145,186	37,893	241,127



A9. 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.

A10. 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.

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- (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.

- (g) As announced on 16 August 2002, the wholly-owned subsidiary company, NIRKG, has 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.
- (j) As announced on 26 December 2002, the Company has on the same date, through its wholly-owned subsidiary, Paramount Right Sdn Bhd, terminated the Sale and Purchase Agreement entered with Pembinaan Wen Shen Sdn Bhd on 13 December 2001 for the acquisition of the entire issued share capital in Castor Pacific Sdn Bhd consisting of 10 shares of RM1.00 each for the total cash consideration of RM1,400,000.

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A11. Subsequent events

As announced on 30 January 2003, the Company has on the same date acquired 1,700,000 ordinary shares of RM1.00 each representing 34% equity interest in NVC from Lim Chee Hing, the Director of NVC, for a total cash consideration of RM6.5 million. After the acquisition, NVC becomes a 85% owned subsidiary of the Company.

Other than those disclosed in the above, there is no other material events subsequent to the end of 31 December 2002.

A12. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2002 are as follows:

	RM'000
Property, plant and equipment:	
- Authorized and contracted for	<u>15,120</u>
Investment	
- Authorized and contracted for	<u>6,381</u>

A13. Contingent Liabilities or contingent assets

- a) There is a guarantee of RM15.9 million as at 31 December 2002 for end-financing facilities granted to purchasers of the Group, for which no loss is expected.

The above contingent liability is not secured against any of the Group's assets.

- b) 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.



ADDITIONAL INFORMATION REQUIRED BY KLSE LISTING REQUIREMENT

B1. Comparison with Preceding Quarter

The Group registered a turnover of RM 38.2 million and a pre-tax profit of RM10.5 million in current quarter as compared to RM44.6 million and RM13.3 million in the preceding quarter, a decrease of RM6.4 million or 14.3% and RM2.8 million or 21.1% respectively. This was due to lower pre-need sales contribution for the Group's products and services from the branches.

B2. Review of Performance

The Group recorded a turnover of RM38.2 million for the current quarter ended 31 December 2002 as compared to RM35.9 million in the preceding year corresponding quarter ended 31 December 2001. The higher turnover of RM2.3 million or 6.4% as compared to the preceding year corresponding quarter despite the completion of housing projects in first quarter ended 31 March 2002 was largely due to better sales for the Group's pre-need products and services. Housing development segment contributed RM1.5 million to the turnover in the preceding year corresponding quarter.

The Group recorded a pre-tax profit of RM10.5 million in the current quarter ended 31 December 2002 as compared to 9.5 million in the preceding year corresponding quarter in line with higher turnover.

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 year ended 31 December 2002 to the date of this announcement which, is likely to substantially affect the results of the operations of the Group for the year ended 31 December 2002.

B3. 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.

B4. Prospects

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

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B5. Taxation

The taxation charges of the Group for the current financial year ended 31 December 2002 were as follows:-

	Current Quarter RM'000	Current Year To Date RM'000
Malaysian taxation	3,703	11,365
Under or over provision of taxation in respect of prior years	-	-
Provision for deferred taxation	-	-
Total	3,703	11,365

The provision for taxation for current year is high in relation to the income earned as certain expenses incurred are not deductible for tax purposes.

B6. 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.

B7. Quoted Securities

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

B8. Status of Corporate Proposals

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

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B9. Group Borrowings as at 31 December 2002

All borrowings are unsecured: -

	<i>RM'000</i>
Overdraft	767
Hire Purchase and Lease Creditors:-	
Payable within next 1 year	673
Payable after next 1 year	1,055
Total	1,728

B10. Other Long Term Liabilities

This represents the cost of providing funeral packages exercisable in the future.

B11. Financial Instruments

Other than disclosed in Note A13 (a), there is no financial instruments with off balance sheet risk that the Group is aware of as at the date of this announcement.

B12. Pending material litigation

Save as disclosed in Note A 13 (b) above, there is no other pending litigation as at the date of this announcement.

B13. Dividend

	12 months ended 31 December	
	2002	2001
Interim:		
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
Special:		
Amount per share (RM)	5% less 28% income tax	10% less 28% income tax
Entitlement date	19 August 2002	4 January 2002
Payment date	3 September 2002	14 January 2002

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B14. Earnings per share

	Current Quarter RM'000	Current Year To Date RM'000
<u>Basic earnings per share</u>		
Net profit for the period (RM'000)	6,196	24,302
Issued ordinary shares at beginning of the period ('000)	70,000	70,000
Weighted average number of ordinary shares ('000)	68,418	68,502
Basic earnings per share (sen)	9.06	35.48

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.