

NV Multi Corporation Berhad

(Company No: 204888-D)



Condensed consolidated income statements

For the second quarter ended 30 June 2003

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2003 RM'000	Preceding Year Corresponding Quarter 30/06/2002 RM'000	Current Year-To-Date 30/06/2003 RM'000	Preceding Year Corresponding Period 30/06/2002 RM'000
Revenue	35,989	35,125	60,335	62,387
Operating profit	9,594	8,151	13,830	13,674
Interest expense	(337)	(45)	(438)	(93)
Interest income	2	136	2	335
Share of profit of associates	13	9	20	122
Profit before taxation	9,272	8,251	13,414	14,038
Taxation	(2,722)	(2,309)	(3,890)	(3,928)
Profit after taxation	6,550	5,942	9,524	10,110
Less: Minority interests	(47)	(209)	(204)	(927)
Net profit for the period	6,503	5,733	9,320	9,183
Basic earnings per ordinary share (sen)	9.50	8.38	13.62	13.36
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 2002

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Condensed consolidated balance sheet

At 30 June 2003

	Unaudited 30 June 2003 RM'000	Audited 31 December 2002 RM'000
Property, plant and equipment	32,697	27,566
Investments in associates	158	145
Intangible assets	2,073	337
Trade receivables	35,817	36,491
	70,745	64,539
Current assets		
Development expenditures	64,617	61,433
Inventories	46,781	43,996
Trade and other receivables	59,625	58,318
Other investments	731	813
Cash and cash equivalents	9,518	5,989
	181,272	170,549
Current liabilities		
Trade and other payables	46,700	50,571
Borrowings	17,635	1,636
Taxation	5,082	4,772
	69,417	56,979
Net current assets	111,855	113,570
	182,600	178,109
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	58,402	49,082
Treasury shares	(7,257)	(7,257)
	153,349	144,029
Minority shareholders' interests	6,016	11,570
Long term and deferred liabilities		
Borrowings	5,402	858
Deferred taxation	1,032	1,032
Other long term liabilities	16,801	20,620
	23,235	22,510
	182,600	178,109
Net tangible assets per share (RM)	2.21	2.10

The condensed consolidated balance sheet should be read in conjunction with audited annual financial report of the group for the year ended 31 December 2002

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Condensed consolidated statement of changes in equity For the six months ended 30 June 2003

	Non- distributable RM'000	Distributable Retained Profits RM'000	Total RM'000
At January 2002	102,204	32,880	135,084
Net profit for the year	-	23,591	23,591
Repurchase of shares	-	(7,257)	(7,257)
Dividends	-	(7,389)	(7,389)
At 31 December 2002	102,204	41,825	144,029
Net profit for the six months period	-	9,320	9,320
Dividends	-	-	-
At 30 June 2003	102,204	51,145	153,349

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 2002

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**Condensed consolidated cash flow statement**

For the six months ended 30 June 2003

	Unaudited 30/06/2003 RM'000
Net profit before tax	13,414
Adjustment for non-cash flow items	<u>2,111</u>
Operating profit before changes in working capital	15,525
Changes in working capital	
Net change in current assets	(5,485)
Net change in current liabilities	<u>(7,690)</u>
Cash used in operations	2,350
Income taxes paid	<u>(3,573)</u>
Net cash flows used in operating activities	<u>(1,223)</u>
Investing Activities	
Purchase of property, plant and equipment	(6,686)
Acquisition of interest in subsidiary companies	(6,500)
Interest income	<u>2</u>
Net cash used in investing activities	<u>(13,184)</u>
Financing Activities	
Net borrowings	11,421
Interest paid	(438)
Dividends paid to minority shareholder	<u>(2,250)</u>
Net cash generated from financing activities	<u>8,733</u>
Net decrease in cash and cash equivalents	(5,674)
Cash and cash equivalents at 1 January	<u>6,606</u>
Cash and cash equivalents at 30 June	<u>932</u>

Note:

There are no comparative figures as the first interim financial statements prepared in accordance with MASB 26, Interim Financial Reporting, was for the quarter ended 30 September 2002.

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 2002



Notes to the interim financial report

Part A- Explanatory Notes Pursuant to MASB 26

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with MASB 26, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2002. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2002.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2002.

A2. Qualified financial statements

The auditors’ report on the financial statements for the year ended 31 December 2002 was not qualified.

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 were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2003.

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A5. Nature and amount of changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

A6. Issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as Treasury shares and resale of treasury shares

There were no issuance and repayment of debt and equity securities except for the purchase of 1,582,000 ordinary shares from the open market in year 2002 are being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

A7. Dividend Paid

There was no dividend payment made during the current financial period.

A8. Segmental reporting

Segment analysis has not been prepared as the Group is primarily engaged in the bereavement care business in Malaysia.

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 period ended 30 June 2003.

A10. Changes in composition of the Group

On 24 June 2003, the subsidiary Company, NV Multi Corporation (Hong Kong) Limited Company ("NVHK"), a company incorporated in Hong Kong, acquired 51% equity interest in PT Alam Hijau Lestari ("AHL"), a company incorporated in Indonesia, for a cash consideration of Indonesia Rupiah 2,550 million resulting in AHL becoming a 51% owned subsidiary of NVHK.

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A11. Subsequent events

- (a) On 7 April 2003, Nirvana Memorial Park (Melaka) Sdn Bhd (formerly known as Quality Purpose Sdn Bhd), a wholly-owned subsidiary company, entered into a Joint Venture Agreement with Nilai Garuda Sdn Bhd to jointly develop the land held under Lots 425, 427, 428, 429 and 663, Mukim Tanjong Minyak, Melaka Tengah measuring 30.57 acres into a non-Muslim cemetery.

On the same date, another wholly-owned subsidiary company, Nirvana Memorial Park (Sibu) Sdn Bhd (formerly known as Nirvana Management Sdn Bhd), entered into a Joint Venture Agreement with Bangsa Wangsa Sdn Bhd to jointly develop the land held under Lots 1130, 1132 and 1605, Pasai-Siong L.D. Sibu measuring 46.10 acres into a non-Muslim cemetery. The company has since commenced sales in July 2003.

- (b) Further to the announcement on 29 April 2003 pertaining to the Memorandum of Understanding entered with Great Eastern Life Assurance (Malaysia) Berhad ("GE"), the Company has on 27 June 2003 entered into a Distribution Agreement to appoint GE as the Company's distributor for selling the complete bereavement care packages with the GE's investment-linked life insurance through GE's distribution channels.

Other than those disclosed in the above, there is no other material event subsequent to the end of 30 June 2003.

A12. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2003 are as follows:

	RM'000
Property, plant and equipment:	
- Authorized and contracted for	<u>11,790</u>
Investment	
- Authorized and contracted for	<u>5,260</u>

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A13. Contingent Liabilities or contingent assets

- a) There is a guarantee of RM11.0 million as at 30 June 2003 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 grossly inflated.



Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of KLSE

B1. Comparison with Preceding Quarter

The Group registered a turnover of RM36.0 million and a pre-tax profit of RM9.3 million in current quarter as compared to RM24.3 million and RM4.1 million in the preceding quarter, an increase of RM11.7 million or 48.1% and RM5.2 million or 126.8% respectively. The business of the Group is generally affected in the first quarter of the year as Chinese celebrate Chinese New Year in the first quarter of each calendar year.

B2. Review of Performance

The Group recorded a turnover of RM36.0 million for the current quarter ended 30 June 2003 as compared to RM35.1 million in the preceding year corresponding quarter ended 30 June 2002. Accordingly, pre-tax profit increase from RM8.3 million in the preceding year corresponding quarter to RM9.3 million in the current quarter ended 30 June 2003.

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 June 2003 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 June 2003.

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 period ended 30 June 2003.

B4. Prospects

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

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B5. Taxation

The taxation charges of the Group for the current financial period ended 30 June 2003 were as follows:-

	Current Quarter RM'000	Current Year To Date RM'000
Malaysian taxation	2,722	3,890
Under or over provision of taxation in respect of prior years	-	-
Provision for deferred taxation	-	-
Total	2,722	3,890

B6. Sale of Investments and / or Properties

There were no sales of investments or properties for the current quarter and financial year to date.

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 30 June 2003

All borrowings are unsecured: -

	RM'000
Overdraft and Revolving Credit	17,094
Term Loan	4,500
Hire Purchase and Lease Creditors:-	
Payable within next 1 year	541
Payable after next 1 year	902
Total	1,443

B10. Other Long Term Liabilities

This represents the cost of providing funeral packages yet to be exercised, reduced by a sinking fund valued by independent actuaries.

B11. Financial Instruments

Other than disclosed in Note A13 (a), there are 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

No dividend has been declared or paid in the current period and preceding year corresponding period.

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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)	6,503	9,320
Issued ordinary shares at beginning of the period ('000)	70,000	70,000
Weighted average number of ordinary shares ('000)	68,418	68,418
Basic earnings per share (sen)	9.50	13.62

B15. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2003.