

NV Multi Corporation Berhad

(Company No: 204888-D)

**Unaudited condensed consolidated income statements**

For the period ended 31 March 2004

	3 months ended		3 months ended	
	<-----31 March----->		<-----31 March----->	
	2004	Pro Forma	2004	Pro Forma
	RM'000	2003	RM'000	2003
		RM'000	RM'000	RM'000
		(restated)		(restated)
Revenue	25,924	23,509	25,924	23,509
Operating profit	3,415	2,831	3,415	2,831
Interest expense	(466)	(101)	(466)	(101)
Interest income	451	421	451	421
Share of profit of associates	16	7	16	7
Profit before taxation	3,416	3,158	3,416	3,158
Taxation	(1,050)	(908)	(1,050)	(908)
Profit after taxation	2,366	2,250	2,366	2,250
Less: Minority interests	(159)	(55)	(159)	(55)
Net profit for the period	2,207	2,195	2,207	2,195
Basic earnings per ordinary share (sen)	3.23	3.21	3.23	3.21
Diluted earnings per ordinary share (sen)	0.65	0.64	0.65	0.64

The condensed consolidated income statement should be read in conjunction with audited annual financial report for the year ended 31 December 2003



Unaudited condensed consolidated balance sheet
At 31 March 2004

	31 March 2004 RM'000	Audited 31 December 2003 RM'000
Property, plant and equipment	43,969	41,844
Investments in associates	168	157
Land held for development	950	950
Other investments	228	228
Goodwill arising on consolidation	8,559	8,814
Deferred tax assets	8,613	8,613
Deferred acquisition cost	9,195	8,543
Trade receivables	18,264	22,624
Pre-need funeral contract receivables	19,382	19,676
	109,328	111,449
Current assets		
Inventory and development expenditure	120,414	118,399
Trade and other receivables	61,884	66,389
Pre need funeral contract receivables	13,121	11,628
Amount due from associated company	0	-
Short term investments	205	450
Tax recoverable	2,033	2,727
Cash and bank balances	13,702	10,920
	211,359	210,513
Current liabilities		
Trade and other payables	42,597	56,964
Short term borrowings	9,562	27,498
Hire purchase and lease creditors	479	540
Dividends payable	3,695	3,695
Provision for taxation	-	2,814
	56,333	91,511
Net current assets	155,026	119,002
	264,354	230,451
Financed by:		
Capital and reserves		
Share capital	70,000	70,000
Reserves		
Share premium	21,603	21,603
Revaluation reserve	10,601	10,601
Exchange reserves	(171)	(121)
Retained profit	52,728	54,216
Treasury shares	(7,257)	(7,257)
	147,504	149,042
Minority shareholders' interests	4,516	4,352
Long term and deferred liabilities		
Term loan	35,000	-
Hire purchase and lease creditors	669	758
Deferred taxation	1,896	1,905
Deferred pre need funeral contract revenue	74,769	74,394
	112,334	77,057
	264,354	230,451
Net tangible assets per share (RM)	2.03	2.05

The condensed consolidated balance sheet should be read in conjunction with audited annual financial report for the year ended 31 December 2003



Unaudited condensed consolidated statement of changes in equity
For the three months ended 31 March 2004

	Non- distributable RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance at 1 January 2003			
- as previously reported	102,204	35,929	138,133
- Reclassification*	(7,257)	7,257	-
- prior years adjustment	-	(10,339)	(10,339)
- as restated	94,947	32,847	127,794
Currency translation differences arising in the year	(121)	-	(121)
Transfer arising from additional investment in a subsidiary company	-	2,776	2,776
Net profit for the year	-	22,288	22,288
Dividends	-	(3,695)	(3,695)
At 31 December 2003	94,826	54,216	149,042
Currency translation differences arising in the period	(50)	-	(50)
Net profit for the period	-	2,207	2,207
Dividends	-	(3,695)	(3,695)
At 31 March 2004	94,776	52,728	147,504

* Reclassification of treasury shares from distributable reserves to non-distributable reserves.

The condensed consolidated statement of changes in equity should be read in conjunction with audited annual financial report for the year ended 31 December 2003

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**Unaudited condensed consolidated cash flow statement**
For the three months ended 31 March 2004

	31/03/2004	Pro Forma
	RM'000	31/03/2003
		RM'000
		(restated)
Net profit before tax	3,416	3,158
Adjustment for non-cash flow items	1,074	982
Operating profit before changes in working capital	4,490	4,140
Changes in working capital		
Net change in current and non-current assets	4,999	2,910
Net change in current and non-current liabilities	(13,991)	(9,132)
Cash used in operations	(4,502)	(2,082)
Income taxes paid	(3,177)	(1,864)
Net cash flows used in operating activities	(7,679)	(3,946)
Investing Activities		
Purchase of property, plant and equipment	(3,187)	(284)
Acquisition of additional interest in a subsidiary company	-	(3,250)
Interest income	451	-
Proceeds from disposal of property, plant and equipment	250	-
Net cash used in investing activities	(2,486)	(3,534)
Financing Activities		
Net borrowings	17,136	2,830
Interest paid	(466)	101
Dividends paid	(3,695)	-
Dividends paid to minority shareholder	-	(1,750)
Net cash generated from financing activities	12,975	1,181
Net increase / (decrease) in cash and cash equivalents	2,810	(6,299)
Effect of exchange rate changes	(50)	-
Cash and cash equivalents at 1 January	10,892	6,606
Cash and cash equivalents at 31 March	13,652	307

The condensed consolidated cash flow statement should be read in conjunction with audited annual financial report for the year ended 31 December 2003



Notes to the interim financial report

Part A- Disclosure Requirements as per MASB 26

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Accounting Standards Board (“MASB”) 26, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003. 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 2003.

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 2003.

A2. Qualified financial statements

The auditors’ report on the financial statements for the year ended 31 December 2003 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 31 March 2004.

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A5. Nature and amount of changes in estimates

There were no changes in estimates that have 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

The Company has purchased 1,582,000 ordinary shares from the open market in year 2002 which are being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. The 1,582,000 ordinary shares were subsequently cancelled on 14 April 2004.

Except for the corporate proposals disclosed in Note B8, there is no other issuance and repayment of debt and equity securities.

A7. Dividend Paid

The first interim dividend of 7.5 sen less 28% income tax for the financial year ended 31 December 2003 was paid on 15 January 2004.

The second interim dividend of 7.5 sen less 28% income tax for the financial year ended 31 December 2003 was paid on 5 May 2004.

A8. Segmental reporting

	Revenue	Carrying amount of Total Assets	Additional to non-current segment assets
	RM'000	RM'000	RM'000
Malaysia	24,557	308,928	3,130
Indonesia	1,367	11,759	57
	<u>25,924</u>	<u>320,687</u>	<u>3,187</u>

No comparative figures are available as the Group only commenced business in Indonesia in 3rd quarter of 2003.

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A9. Valuation of property, plant and equipment

The valuation of property has been brought forward without amendment from the previous annual audited financial statements for the financial year ended 31 December 2003.

A10. Changes in composition of the Group

There was no material change in the composition of the Group for the current financial quarter that will materially affect the financial results and state of affairs of the Group.

A11. Subsequent events

There has not arisen any material event subsequent to the end of 31 March 2004 except for the proposals as disclosed in B8 below.

A12. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2004 are as follows:

	RM'000
Property, plant and equipment:	
- Authorized and contracted for	<u>4,369</u>
Investment	
- Authorised and contracted for	<u>3,200</u>

A13. Contingent Liabilities or contingent assets

- a) There is a guarantee of RM2.04 million as at 31 March 2004 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.

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

B1. Comparison with Preceding Quarter

The Group registered a turnover of RM25.9 million and a pre-tax profit of RM3.4 million in current quarter as compared to RM35.4 million and RM9.2 million in the preceding quarter, a decrease of RM9.5 million or 26.8 % and RM5.8 million or 63.0% 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 RM25.9 million for the current quarter ended 31 March 2004 compared to RM23.5 million in the preceding year corresponding quarter ended 31 March 2003. Pre-tax profit, after accounting for one time charge of approximately RM0.3 million relating to the issuance of Commercial Paper/Medium Term Notes up to an aggregate nominal value of RM100 million, increased from RM3.2 million in the preceding year corresponding quarter to RM3.4 million in the current quarter ended 31 March 2004. The improvement was due to contributions from new memorial parks located in Sibul, Sarawak, and improving economic outlook in Malaysia.

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 31 March 2004 to the date of this announcement which, is likely to substantially affect the results of the operations of the Group for the period ended 31 March 2004.

B3. Variance of Actual Profit from Forecast Profit and Shortfall in the Profit Guarantee

There was no profit forecast or profit guarantee given for the financial period ended 31 March 2004.

B4. Prospects

As 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, barring any unforeseen circumstances, the Group expects a better performance in next quarter.

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B5. Taxation

Taxation charged for the current financial period ended 31 March 2004 was as follows: -

	3 months ended 31.03.2004 RM'000	3 months ended 31.03.2003 RM'000
Malaysian taxation	1,058	908
Under provision of taxation in respect of priors years	-	-
Transferred from deferred taxation	(8)	-
Total	1,050	908

B6. Sale of Investments and/or Properties

There was no sale of investments or properties for the current period ended 31 March 2004.

B7. Quoted Securities

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

B8. Status of Corporate Proposals

- (i) On 20 February 2004, the Company announced its intention to implement the following:
 - (a) a bonus issue of 17,104,500 new ordinary shares of RM1.00 each in NV Multi ("NV Multi Share") to be credited as fully paid on the basis of one (1) new NV Multi Share for every four (4) existing NV Multi Shares held at a date to be determined later ("Proposed Bonus Issue");
 - (b) a sub-division of one (1) existing NV Multi Shares into four (4) new ordinary shares of RM0.25 each ("Proposed Sub-Division of Shares"); and

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(c) amendments to the Memorandum and Articles of Association of NV Multi to accommodate the Proposed Sub-Division of Shares (“Proposed Amendments”).

On 26 March 2004, the approval-in-principle was obtained from Bursa Malaysia for the Proposed Sub-Division and listing and quotation of 17,104,500 new Bonus Shares; and

On 8 April 2004, the Securities Commission (“SC”) approved the following subject to the Company adhering to the requirements of the SC’s Policies and Guidelines on Issue/Offer of Securities in relation to share splits:

- (a) the sub-division of one (1) ordinary share of NV Multi of RM1.00 each into four (4) new ordinary share of NV Multi of RM0.25 each; and
- (b) the listing of and quotation for the new ordinary NV Multi share of RM0.25 each on Bursa Malaysia pursuant to the Sub-Division of shares.

On 14 May 2004, the shareholders of the Company approved the Proposed Bonus Issue, Proposed Sub-Division of Shares and Proposed Amendments.

- (ii) On 18 March 2004, the Company entered into Commercial Papers/Medium Term Notes Programme Agreements pertaining to the issuance of CP/MTN up to an aggregate nominal value of RM100 million. Subsequently, the Company had on 29 March 2004 issued RM35 million of MTN via private placement and on 5 May 2004 issued RM5 million of CP via tender.
- (iii) On 13 April 2004, the Company announced its proposal to seek a fresh mandate from its shareholders at the forthcoming Annual General Meeting (“AGM”) to purchase up to ten percent (10%) of its issued and paid-up share capital in accordance with the provisions of Section 67A of the Companies Act, 1965, the Articles of Association of the Company and Bursa Malaysia’s Listing Requirements (“Proposed Share Buy-Back”).

The Proposed Share Buy-Back is subject to and conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM to be convened.

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B9. Group Borrowings as at 31 March 2004

All borrowings are unsecured: -

	RM'000
Overdraft and Revolving Credit	9,562
Term Loan	
Payable within next 1 year	-
Payable after 1 year	35,000
	35,000
Hire Purchase and Lease Creditors:-	
Payable within next 1 year	479
Payable after 1 year	669
Total	1,148

B10. Financial Instruments

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

B11. Pending material litigation

Save as disclosed in Note A13 (b) above, there is no other pending litigation as at the date of this announcement.

B12. Dividend

No dividend has been proposed for the current quarter under review.

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B13. Earnings per share

(a) Basis earnings per share

Basis earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issues during the period, excluding treasury shares held by the Company.

	3 months ended 31.03.2004 RM'000	3 months ended 31.03.2003 RM'000
Basic earnings per share		
Net profit for the period (RM'000)	2,207	2,195
Weighted average number of ordinary shares ('000)	68,418	68,418
Basic earnings per share (sen)	3.23	3.21

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issues during the period have been adjusted for the effects of dilutive potential ordinary shares from the Bonus Issued and Sub-Division of Shares.

	3 months ended 31.03.2004 RM'000	3 months ended 31.03.2003 RM'000
Diluted earnings per share		
Net profit for the period (RM'000)	2,207	2,195
Weighted average number of ordinary shares ('000)	342,090	342,090
Basic earnings per share (sen)	0.65	0.64



B14. 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 27 May 2004.