

NV Multi Corporation Berhad

(Company No: 204888-D)

**Unaudited condensed consolidated income statements**

For the period ended 30 June 2004

	3 months ended		6 months ended	
	<-----30 June----->		<-----30 June----->	
	2004	Pro forma	2004	Pro forma
	RM'000	2003	RM'000	2003
		RM'000	RM'000	RM'000
		(restated)		(restated)
Revenue	29,389	35,087	55,313	58,596
Operating profit	6,333	7,368	9,748	10,199
Interest expense	(731)	(337)	(1,197)	(438)
Interest income	339	335	790	756
Share of profit of associates	(36)	13	(20)	20
Profit before taxation	5,905	7,379	9,321	10,537
Taxation	(1,752)	(2,147)	(2,802)	(3,055)
Profit after taxation	4,153	5,232	6,519	7,482
Less: Minority interests	(9)	242	(168)	187
Net profit for the period	4,144	5,474	6,351	7,669
Basic earnings per ordinary share (sen)	1.21	1.60	1.86	2.24

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 30 June 2004

	30 June 2004	Audited
	RM'000	31 December 2003
		RM'000
Property, plant and equipment	44,449	41,844
Investments in associates	137	157
Land held for development	1,007	950
Other investments	228	228
Goodwill arising on consolidation	8,304	8,814
Deferred tax assets	8,613	8,613
Deferred acquisition cost	9,492	8,543
Trade receivables	18,612	22,624
Pre-need funeral contract receivables	17,927	19,676
	108,769	111,449
Current assets		
Inventory and development expenditure	123,814	118,399
Trade and other receivables	55,914	66,389
Pre need funeral contract receivables	18,131	11,628
Amount due from associated company	0	-
Short term investments	8,705	450
Tax recoverable	2,572	2,727
Cash and bank balances	10,009	10,920
	219,145	210,513
Current liabilities		
Trade and other payables	49,748	56,964
Short term borrowings	11,503	27,498
Hire purchase and lease creditors	389	540
Dividends payable	-	3,695
Provision for taxation	-	2,814
	61,640	91,511
Net current assets	157,505	119,002
	266,274	230,451
Financed by:		
Capital and reserves		
Share capital	85,523	70,000
Reserves		
Capital redemption reserve	1,582	
Share premium	-	21,603
Revaluation reserve	7,842	10,601
Exchange reserves	(292)	(121)
Retained profit	56,872	54,216
Treasury shares	-	(7,257)
	151,527	149,042
Minority shareholders' interests	4,531	4,352
Long term and deferred liabilities		
Term loan	35,000	-
Hire purchase and lease creditors	609	758
Deferred taxation	1,895	1,905
Deferred pre need funeral contract revenue	72,712	74,394
	110,216	77,057
	266,274	230,451
Net tangible assets per share (RM)	0.42	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 six months ended 30 June 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	(171)	-	(171)
Net profit for the period	-	6,351	6,351
Dividends	-	(3,695)	(3,695)
At 30 June 2004	94,655	56,872	151,527

* 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 six months ended 30 June 2004

	30/06/2004	Pro forma
	RM'000	30/06/2003
		RM'000
		(restated)
Net profit before tax	9,321	10,537
Adjustment for non-cash flow items	2,623	2,111
Operating profit before changes in working capital	11,944	12,648
Changes in working capital		
Net change in current and non-current assets	3,312	(6,638)
Net change in current and non-current liabilities	(8,898)	(3,660)
Cash used in operations	6,358	2,350
Income taxes paid	(5,473)	(3,573)
Net cash flows generated from / (used in) operating activities	885	(1,223)
Investing Activities		
Purchase of property, plant and equipment	(4,605)	(6,686)
Acquisition of additional interest in a subsidiary company	-	(6,500)
Interest income	790	2
Proceeds from disposal of property, plant and equipment	328	-
Net cash used in investing activities	(3,487)	(13,184)
Financing Activities		
Net borrowings	18,986	11,421
Interest paid	(1,197)	(438)
Dividends paid	(7,390)	-
Dividends paid to minority shareholder	-	(2,250)
Net cash generated from financing activities	10,399	8,733
Net increase / (decrease) in cash and cash equivalents	7,797	(5,674)
Effect of exchange rate changes	(171)	-
Cash and cash equivalents at 1 January	10,892	6,606
Cash and cash equivalents at 30 June	18,518	932

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 for the current quarter and financial period to-date.

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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. 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.

A9. Changes in composition of the Group

The Company has on 28 July 2004 disposed of its entire 30% equity interest or equivalent to 30,000 ordinary shares of RM1.00 each in Minda Cemerlang Sdn Bhd ("Minda") for a consideration of RM140,406 at no gain nor loss. Upon completion of the said disposal, Minda ceased to be an associate company of NV Multi.

There was no other 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.



A10. Subsequent events

There has not arisen any material event subsequent to the end of 30 June 2004 other than as disclosed in Note A9 above.

A11. Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2004 are as follows:

	RM'000
Property, plant and equipment:	
- Authorized and contracted for	<u>3,211</u>
Investment	
- Authorised and contracted for	<u>3,200</u>

A12. Contingent liabilities or contingent assets

- a) There is a guarantee of RM2.76 million as at 30 June 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 RM29.3 million and a pre-tax profit of RM5.9 million in current quarter as compared to RM25.9 million and RM3.4 million in the preceding quarter, an increase of RM3.4 million or 13.1% and RM2.5 million or 73.5% 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

Turnover reduced from RM35.1 million in the preceding year corresponding quarter ended 30 June 2003 to RM29.3 million for the current quarter ended 30 June 2004 as the Group is focusing on cash sales in the current quarter as compared to installment sales. Accordingly, pre-tax profit reduced from RM7.4 million in the preceding year corresponding quarter ended 30 June 2003 to RM5.9 million for the current quarter ended 30 June 2004.

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 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 30 June 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 30 June 2004.

B4. Prospects

The Group will continue to focus on cash sales to strengthen cash flow and barring any unforeseen circumstances, the Group expects the performance to be satisfactory for the year ending 2004.

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B5. Taxation

Taxation charged for the current financial period ended 30 June 2004 was as follows: -

	6 months ended 30.06.2004 RM'000	6 months ended 30.06.2003 RM'000
Malaysian taxation	2,812	3,055
Under provision of taxation in respect of priors years	-	-
Transferred from deferred taxation	(10)	-
Total	2,802	3,055

B6. Sale of Investments and/or Properties

There was no sale of investments or properties for the current period ended 30 June 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

- (a) The following approved proposals were completed and the entire ordinary shares was listed in June 2004:
- (i) Bonus issue of 17,104,500 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share of RM1.00 each for every four (4) existing ordinary shares of RM1.00 each held.
 - (ii) Sub-division of one (1) existing ordinary share of RM1.00 each into four (4) ordinary shares of RM0.25 each.

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(iii) Amendments to the Memorandum and Articles of Association to accommodate the sub-division of shares.

(b) The Proposed Share Buy-Back was approved by the shareholders of the Company at the AGM of the Company held on 28 June 2004.

B9. Group Borrowings as at 30 June 2004

All borrowings are unsecured: -

	RM'000
Revolving Credit	6,503
Commercial Papers	5,000
Medium Term Notes	35,000
Hire Purchase and Lease Creditors:-	
Payable within next 1 year	389
Payable after 1 year	609
Total	998

B10. Financial Instruments

Other than disclosed in Note A12 (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 A12 (b) above, there is no other pending litigation as at the date of this announcement.

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B12. Dividend

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

B13. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the number of ordinary shares in issue during the period.

	6 months ended 30.06.2004 RM'000	6 months ended 30.06.2003 RM'000
Basic earnings per share		
Net profit for the period (RM'000)	6,351	7,669
Number of ordinary shares in issue ('000)	342,090	342,090
Basic earnings per share (sen)	1.86	2.24

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 30 August 2004.