

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



Unaudited condensed consolidated income statements
For the year ended 31 December 2004

	3 months ended		12 months ended	
	<-----31 December----->		<-----31 December----->	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Revenue	28,162	35,400	109,441	137,040
Operating profit	3,552	10,273	17,174	34,300
Interest expense	(623)	(317)	(2,438)	(1,115)
Interest income	282	430	1,473	1,484
Share of profit of associates	-	5	(20)	32
Profit before taxation	3,211	10,391	16,189	34,701
Taxation	(2,283)	(3,818)	(6,177)	(11,111)
Profit after taxation	928	6,573	10,012	23,590
Less: Minority interests	(119)	(630)	(124)	(1,302)
Net profit for the period	809	5,943	9,888	22,288
Basic earnings per ordinary share (sen)	0.24	1.74	2.89	6.52

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
As At 31 December 2004

	31 December 2004 RM'000	Audited 31 December 2003 RM'000
Property, plant and equipment	18,776	17,988
Investments in associates	-	157
Land held for development	1,085	950
Other investments	228	228
Goodwill arising on consolidation	7,783	8,814
Deferred tax assets	9,005	8,613
Deferred acquisition cost	11,072	8,543
Joint venture cost	27,319	23,856
Trade receivables	13,134	22,624
Pre-need funeral contract receivables	19,021	19,676
	107,423	111,449
Current assets		
Inventory and development expenditure	137,915	118,399
Trade and other receivables	58,887	66,389
Pre-need funeral contract receivables	10,834	11,628
Short term investments	8,348	450
Tax recoverable	3,042	2,727
Cash and bank balances	8,461	10,920
	227,487	210,513
Current liabilities		
Trade and other payables	53,828	56,964
Short term borrowings	6,885	27,498
Hire purchase and lease creditors	428	540
Dividends payable	-	3,695
Provision for taxation	2,807	2,814
	63,948	91,511
Net current assets	163,539	119,002
	270,962	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	(256)	(121)
Retained profit	60,409	54,216
Treasury shares	-	(7,257)
	155,100	149,042
Minority shareholders' interests	4,249	4,352
Long term and deferred liabilities		
Term loan	35,000	-
Hire purchase and lease creditors	667	758
Deferred taxation	1,325	1,905
Deferred pre-need funeral contract revenue	74,621	74,394
	111,613	77,057
	270,962	230,451
Net tangible assets per share (RM)	0.43	2.05

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

NV Multi Corporation Berhad
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Unaudited condensed consolidated statement of changes in equity
For the twelve months ended 31 December 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	(135)	-	(135)
Net profit for the period	-	9,888	9,888
Dividends	-	(3,695)	(3,695)
At 31 December 2004	94,691	60,409	155,100

* 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 twelve months ended 31 December 2004

	31/12/2004	31/12/2003
	RM'000	RM'000
Net profit before tax	16,189	34,701
Adjustment for non-cash flow items	5,306	3,769
Operating profit before changes in working capital	21,495	38,470
Changes in working capital		
Net change in current and non-current assets	(7,254)	(33,024)
Net change in current and non-current liabilities	(2,909)	11,802
Cash generated from operations	11,332	17,248
Income taxes paid	(7,472)	(13,076)
Net cash flows generated from operating activities	3,860	4,172
Investing Activities		
Purchase of property, plant and equipment	(4,496)	(17,637)
Acquisition of additional interest in a subsidiary company	-	(6,520)
Interest income	1,473	1,484
Proceeds from disposal of property, plant and equipment	330	454
Net cash used in investing activities	(2,693)	(22,219)
Financing Activities		
Net borrowings	14,465	25,796
Interest paid	(2,438)	(1,115)
Dividends paid	(7,390)	-
Dividends paid to minority shareholder	-	(2,350)
Net cash generated from financing activities	4,637	22,331
Net increase in cash and cash equivalents	5,804	4,284
Effect of exchange rate changes	(135)	2
Cash and cash equivalents at 1 January	10,892	6,606
Cash and cash equivalents at 31 December	16,561	10,892

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 Securities”).

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.

The cost of construction of Nirvana Memorial Center was reclassified from building under progress in Property, Plant and Equipment to joint venture cost during the year. This joint venture cost will be amortized over the lease period of 25 years.

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.

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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.

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 18 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

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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. Material Subsequent events

There were no subsequent event that would materially affect the results for the year ended 31 December 2004.

A11. Capital commitments

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

	RM'000
Property, plant and equipment:	
- Authorized and contracted for	<u>1,131</u>
Investment	
- Authorised and contracted for	<u>3,200</u>

A12. Contingent liabilities or contingent assets

- (a) There is a guarantee of RM1.83 million as at 31 December 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 Securities

B1. Comparison with Preceding Quarter

The Group registered a turnover of RM28.2 million and a pre-tax profit of RM3.2 million in the current quarter as compared to RM26.0 million and RM3.7 million in the preceding quarter. The turnover has increased marginally by RM2.2 million compared to the preceding quarter due to higher as-need sales. However, the pre-tax profit reduced marginally by RM0.5 million.

B2. Review of Performance

The turnover is analysed as follows:

	12 months ended 31.12.2004 RM'000	12 months ended 31.12.2003 RM'000
Funeral Service Packages (“FSP”)	23,634	13,147
Other bereavement care products and services	95,964	123,461
	<hr/>	<hr/>
	119,598	136,608
Add: Previous years’ pre-need FSP sales exercised and recognized in current year	3,579	3,957
Less: Deferment of current year’s pre-need FSP sales	(13,736)	(3,525)
	<hr/>	<hr/>
	109,441	137,040

The year to date turnover reduced from RM137.0 million in the preceding year to RM109.4 million for the current year ended 31 December 2004 which was mainly due to the lower land sales achieved during the year. Eventhough the funeral service package (“FSP”) sales increased from RM13.1 million in preceeding year to RM23.6 million in the current year, the increase was over-shadowed by the reversal on the deferment of the pre-need FSP sales (in line with the accounting policy on the revenue recognition of FSP sales) amounting to RM13.7 million in the current year.

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In line with the reversal on the deferment of the pre-need FSP sales, commissions incurred on these sales are deferred accordingly. All other operating expenses are charged out during the financial year. Correspondingly, the pre-tax profit reduced from RM34.7 million in the preceding year to RM16.2 million for the current year.

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 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 December 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 December 2004.

B4. Prospects for Financial Year 2005

The Group will continue to strengthen its marketing strategy to boost sales performance and to rationalize its operations to achieve cost savings for better profits and to sustain its performance in next quarter.

B5. Taxation

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

	12months ended 31.12.2004 RM'000	12 months ended 31.12.2003 RM'000
Malaysian taxation	7,149	10,953
Under provision of taxation in respect of prior years	-	179
Share of taxation of associate companies	-	20
Deferred taxation	(972)	(41)
Total	6,177	11,111

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The effective tax rate for the financial year to date is higher than the statutory rate of tax applicable mainly due to certain expenses which are not deductible for tax purposes and no group tax relief for loss making subsidiaries. The effective tax rate for the current quarter is much higher than the statutory rate of tax applicable is also attributable to the same reason coupled by the adjustment for underprovision of tax for previous quarters.

B6. Sale of Investments and/or Properties

There was no sale of investments or properties for the current period ended 31 December 2004 except as disclosed in Note A9 above.

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

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.
 - (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 Annual General Meeting of the Company held on 28 June 2004.



B9. Group Borrowings as at 31 December 2004

All borrowings are unsecured: -

	RM'000
Revolving Credit	6,885
Medium Term Notes	35,000
Hire Purchase and Lease Creditors:-	
Payable within next 1 year	428
Payable after 1 year	667
Total	1,095

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.

B12. Dividend

The Board is pleased to declare an interim dividend of 2.0 sen per share less 28% income tax in respect of the financial year ended 31 December 2004. The dividend will be paid on a date to be determined by the Board.



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 year as follows:

	12 months ended 31.12.2004 RM'000	12 months ended 31.12.2003 RM'000
Basic earnings per share		
Net profit for the period (RM'000)	9,888	22,288
Number of ordinary shares in issue ('000)	342,090	342,090
Basic earnings per share (sen)	2.89	6.52

B14. Net tangible assets per share

The net tangible assets per share is calculated by dividing the total net tangible assets against the total number of shares in issue during the year as follows:

	As at 31.12.2004	As at 31.12.2003
Total net tangible assets (RM'000)	147,317	140,228
Number of ordinary shares in issue ('000)	342,090	68,418*
Par value per ordinary share (RM)	0.25	1.00
Net tangible assets per share (RM)	0.43	2.05

* This is after the deduction of 1,582,000 treasury shares.

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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 28 February 2005.