

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



**Unaudited condensed consolidated income statements**  
For the financial period ended 30 June 2005

	3 months ended 30-Jun		6 months ended 30-Jun	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<b>Revenue</b>	36,456	29,389	65,304	55,313
<b>Operating profit</b>	8,656	6,333	12,893	9,748
Interest expense	(552)	(731)	(1,132)	(1,197)
Interest income	255	339	457	790
Share of profit of associates	-	(36)	-	(20)
<b>Profit before taxation</b>	8,359	5,905	12,218	9,321
Taxation	(2,595)	(1,752)	(3,823)	(2,802)
<b>Profit after taxation</b>	5,764	4,153	8,395	6,519
Less: Minority interests	(362)	(9)	(462)	(168)
<b>Net profit for the period</b>	5,402	4,144	7,933	6,351
Basic earnings per ordinary share (sen)	1.58	1.21	2.32	1.86

The condensed consolidated income statement should be read in conjunction with the audited annual financial report for the financial year ended 31 December 2004



**Unaudited condensed consolidated balance sheet**  
As At 30 June 2005

	30 June 2005	Audited December 2004
	RM'000	RM'000
<b>Property, plant and equipment</b>	50,444	46,614
<b>Land held for development</b>	1,020	1,020
<b>Other investments</b>	228	228
<b>Goodwill arising on consolidation</b>	7,264	7,783
<b>Deferred tax assets</b>	12,197	11,342
<b>Deferred acquisition cost</b>	13,865	11,691
<b>Trade receivables</b>	6,097	13,134
<b>Pre-need funeral contract receivables</b>	22,382	22,551
	113,497	114,363
<b>Current Assets</b>		
Inventory and development expenditure	147,178	138,389
Trade and other receivables	68,082	57,111
Pre-need funeral contract receivables	7,705	11,055
Tax recoverable	1,272	2,225
Deposit with licensed banks	556	2,748
Deposit with other licensed corporations	9,939	5,600
Cash and bank balances	10,043	8,548
	244,775	225,676
<b>Current Liabilities</b>		
Trade and other payables	65,058	53,288
Short term borrowings	6,885	6,885
Hire purchase payable	400	463
Dividends payable	-	4,926
Provision for taxation	3,975	2,424
	76,318	67,986
<b>Net Current Assets</b>	168,457	157,690
	281,954	272,053
<b>Financed by:</b>		
Share capital	85,523	85,523
Reserves		
Capital redemption reserve	1,582	1,582
Revaluation reserve	7,842	7,842
Exchange reserves	(109)	-
Retained profit	62,757	54,824
<b>Shareholders' equity</b>	157,595	149,771
<b>Minority Shareholders' Interests</b>	4,566	4,200
<b>Long Term and Deferred Liabilities</b>		
Medium term notes	35,000	35,000
Hire purchase payables	1,009	632
Deferred tax liabilities	3,033	3,033
Deferred pre-need funeral contract revenue	80,751	79,417
	119,793	118,082
	281,954	272,053
<b>Net tangible assets per share (RM)</b>	0.44	0.42

The condensed consolidated balance sheet should be read in conjunction with the audited annual financial report for the financial year ended 31 December 2004.

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



**Unaudited condensed consolidated statement of changes in equity  
For the financial period ended 30 June 2005**

	<b>Non- distributable RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total RM'000</b>
Balance at 1 January 2004	94,826	54,216	149,042
Currency translation differences arising in the year	121	(250)	(129)
Net profit for the year	-	9,479	9,479
Dividends	-	(8,621)	(8,621)
<b>At 31 December 2004</b>	<b>94,947</b>	<b>54,824</b>	<b>149,771</b>
Currency translation differences arising in the period	(109)	-	(109)
Net profit for the period	-	7,933	7,933
<b>At 30 June 2005</b>	<b>94,838</b>	<b>62,757</b>	<b>157,595</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited annual financial report for the year ended 31 December 2004.

**NV Multi Corporation Berhad**

( Company No: 204888-D)

**Unaudited condensed consolidated cash flow statement**  
**For the financial period ended 30 June 2005**

	<b>6/30/2005</b>	<b>30/06/2004</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit before taxation</b>	12,218	9,321
<b>Adjustment for non-cash flow items</b>	3,291	2,623
<b>Operating profit before changes in working capital</b>	15,509	11,944
<b>Changes in working capital</b>		
Net change in current and non-current assets	(10,925)	3,312
Net change in current and non-current liabilities	13,104	(8,898)
<b>Cash generated from operations</b>	17,688	6,358
Income taxes paid	(3,102)	(5,473)
Income taxes refund	928	-
<b>Net cash flows generated from operating activities</b>	15,514	885
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(5,859)	(4,605)
Interest income	457	790
Proceeds from disposal of property, plant and equipment	-	328
<b>Net cash used in investing activities</b>	(5,402)	(3,487)
<b>Financing Activities</b>		
Net (repayment)/borrowings	(303)	18,986
Interest paid	(1,132)	(1,197)
Dividends paid	(4,926)	(7,390)
<b>Net cash (used in)/generated from financing activities</b>	(6,361)	10,399
Net increase in cash and cash equivalents	3,751	7,797
Effect of exchange rate changes	(109)	(171)
<b>Cash and cash equivalents at 1 January</b>	16,840	10,892
<b>Cash and cash equivalents at 30 June</b>	20,482	18,518

The condensed consolidated cash flow statement should be read in conjunction with the audited annual financial report for the year ended 31 December 2004



## **Notes to the Interim Financial Report**

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### **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 2004. 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 2004.

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 2004.

#### **A2. Qualified financial statements**

The auditors’ report on the financial statements for the year ended 31 December 2004 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 2005.

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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**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 June 2005.

### **A7. Dividend paid**

The first interim dividend of 2.0 sen less 28% income tax for the financial year ended 31 December 2004 was paid on 18 April 2005.

### **A8. Segmental reporting**

The Group operates in a single industry in the business of bereavement care and predominantly in Malaysia. Accordingly, the financial information by industry and geographical segments of the Group's operation are not presented.

### **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 2004.

### **A10. Changes in composition of the Group**

There was no material change in the composition of the Group for the current financial quarter ended 30 June 2005 that will materially affect the financial results and state of affairs of the Group.

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### **A11. Material subsequent events**

On 20 May 2005, the Company announced on the termination of the agreement entered by Nirvana Memorial Park Sdn Bhd (“NIR”), a wholly-owned subsidiary of the Company with Virtue Corporation Sdn Bhd (478917-A) for the appointment of NIR as the Corporate Manager to manage, develop, market and finance the cemetery development over a portion of the land held under Grant 20046 for Lot 33572, Mukim Ulu Kinta, District of Kinta, Perak, which was owned by Popular Growth Sdn Bhd.

On 25 July 2005, the Company announced on the termination of the agreement entered between Nirvana Memorial Park (Penang) Sdn Bhd, a wholly-owned subsidiary of NIR, and HLS Development Sdn Bhd (282846-D) to jointly develop parcels of land held under Mukim 8, Daerah Seberang Perai Selatan, Penang and Mukim Permatang Pasir, District Bandar Bahru, Kedah measuring approximately 57.08 acres into a non-Muslim cemetery.

Other than as mentioned above, there was no other subsequent event that would materially affect the results for the financial period ended 30 June 2005.

### **A12. Capital Commitments**

There were no capital commitment that was not provided for in the financial statements as at 30 June 2005.

### **A13. Contingent liabilities or contingent assets**

- (a) There is a guarantee of RM1.060 million as at 30 June 2005 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 Bursa Securities**

**B1. Comparison with preceding quarter**

The Group registered a turnover of RM36.46 million and a pre-tax profit of RM8.36 million in the current quarter as compared to RM28.85 million and RM3.86 million respectively in the preceding quarter, an increase of RM7.61 million or 26.38% and RM4.50 million or 116.58% 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 turnover is analysed as follows:

	<b>6 months ended 30.06.2005 RM'000</b>	<b>6 months ended 30.06.2004 RM'000</b>
Funeral Service Packages (“FSP”)	11,711	7,229
Other bereavement care products and services	56,735	47,043
	<hr/> 68,446	<hr/> 54,272
Add: Previous years’ pre-need FSP sales exercised and recognised in current year	2,605	2,659
Less: Deferment of current year’s pre-need FSP sales	(5,747)	(1,618)
	<hr/> <b>65,304</b>	<hr/> <b>55,313</b>

The Group recorded an increase in turnover for the current financial period from RM55.31 million in the preceding financial year corresponding quarter ended 30 June 2004 to RM65.30 million for the current financial period ended 30 June 2005 which was mainly due to the higher sales registered for both FSP and other bereavement care products and services. Accordingly, the pre-tax profits improved from RM9.32 million registered in the preceding year corresponding quarter ended 30 June 2004 to RM12.22 million recorded for the current financial period ended 30 June 2005.

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 2005 to the date of this announcement which, is likely to substantially affect the results of the operations of the Group for the financial period ended 30 June 2005.



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### **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 2005.

### **B4. Prospects**

Barring any unforeseen circumstances in the current market environment, the Board expects the Group's performance will remain favorable for the remaining period to the financial year ending 31 December 2005.

### **B5. Taxation**

Taxation charged for the current financial period ended 30 June 2005 was as follows:-

	<b>6 months ended 30.06.2005 RM'000</b>	<b>6 months ended 30.06.2004 RM'000</b>
Malaysian taxation	4,678	2,812
Transferred from deferred taxation	<u>(855)</u>	<u>(10)</u>
<b>Total</b>	<b><u>3,823</u></b>	<b><u>2,802</u></b>

The effective tax rate for the financial period 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.

### **B6. Sale of investments and/or properties**

There was no sale of investments or properties for the current financial period ended 30 June 2005.

### **B7. Quoted securities**

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



**B8. Status of corporate proposals**

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

**B9. Group borrowings as at 30 June 2005**

All borrowings are unsecured: -

	<b>RM'000</b>
<b>Revolving Credit</b>	<b>6,885</b>
<b>Medium Term Notes</b>	<b>35,000</b>
<b>Hire Purchase Payables:-</b>	
Payable within next 1 year	400
Payable after 1 year	1,009
<b>Total</b>	<b>1,409</b>

**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.



**B13. Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period by the number of ordinary shares in issue during the financial period as follows:-

	<b>6 months ended 30.06.2005 RM'000</b>	<b>6 months ended 30.06.2004 RM'000</b>
Net profit for the period (RM'000)	7,933	6,351
Number of ordinary shares in issue ('000)	342,090	342,090
Basic earnings per share (sen)	2.32	1.86

**B14. Net tangible assets per share**

The net tangible assets per share are calculated by dividing the total net tangible assets against the total number of shares in issue during the financial period as follows:-

	<b>As at 30.06.2005</b>	<b>As at 31.12.2004</b>
Total net tangible assets (RM'000)	150,331	141,988
Number of ordinary shares in issue ('000)	342,090	342,090
Par value per ordinary share (RM)	0.25	0.25
Net tangible assets per share (RM)	0.44	0.42

**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 25 August 2005.

