

**NV MULTI CORPORATION BERHAD**

( Company No: 204888-D)

(Incorporated in Malaysia)

**Condensed consolidated income statement****For the three (3) and nine (9) months period ended 30 September 2005**

	3 months ended		9 months ended	
	← 30 September →		← 30 September →	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenue</b>	30,561	25,966	95,865	81,279
<b>Operating profit</b>	5,544	3,874	18,437	13,622
Interest expense	(589)	(618)	(1,721)	(1,815)
Interest income	177	401	634	1,191
Share of loss of associates	-	-	-	(20)
<b>Profit before taxation</b>	5,132	3,657	17,350	12,978
Taxation	(2,849)	(1,092)	(6,672)	(3,894)
<b>Profit after taxation</b>	2,283	2,565	10,678	9,084
Less: Minority interests	55	163	(407)	(5)
<b>Net profit for the period</b>	2,338	2,728	10,271	9,079
<b>Basic earnings per ordinary share (sen)</b>	0.68	0.80	3.00	2.65

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2004 and the accompanying explanation notes attached to the interim financial statements.*

**NV MULTI CORPORATION BERHAD**

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**Condensed consolidated balance sheet**

As At 30 September 2005

	30 September 2005 RM'000 Unaudited	31 December 2004 RM'000 Audited
<b>Property, plant and equipment</b>	47,149	46,614
<b>Land held for development</b>	1,020	1,020
<b>Other investments</b>	228	228
<b>Goodwill arising on consolidation</b>	7,004	7,783
<b>Deferred tax assets</b>	12,560	11,342
<b>Deferred acquisition cost</b>	14,687	11,691
<b>Trade receivables</b>	6,656	13,134
<b>Sinking fund</b>	23,838	22,054
<b>Pre-need funeral contract receivables</b>	292	497
	113,434	114,363
<b>Current Assets</b>		
Inventory and development expenditure	152,452	138,389
Trade and other receivables	67,810	57,111
Pre-need funeral contract receivables	7,852	11,055
Tax recoverable	1,251	2,225
Deposit with licensed banks	956	2,748
Deposit with other licensed corporations	14,900	5,600
Cash and bank balances	9,857	8,548
	255,078	225,676
<b>Current Liabilities</b>		
Trade and other payables	68,166	53,288
Short term borrowings	7,538	6,885
Hire purchase payable	526	463
Dividends payable	-	4,926
Provision for taxation	4,454	2,424
	80,684	67,986
<b>Net Current Assets</b>	174,394	157,690
	287,828	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	(124)	-
Retained profit	65,095	54,824
Treasury shares	(725)	-
<b>Shareholders' equity</b>	159,193	149,771
<b>Minority Shareholders' Interests</b>	4,396	4,200
<b>Long Term and Deferred Liabilities</b>		
Medium term notes	35,000	35,000
Hire purchase payables	1,191	632
Deferred tax liabilities	3,033	3,033
Deferred pre-need funeral contract revenue	85,015	79,417
	124,239	118,082
	287,828	272,053
<b>Net tangible assets per share (RM)</b>	0.45	0.42

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2004 and the accompanying explanation notes attached to the interim financial statements.

**NV MULTI CORPORATION BERHAD**

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**Condensed consolidated statement of changes in equity  
For the nine (9) months period ended 30 September 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	(124)	-	(124)
Repurchase of shares	(725)	-	(725)
Net profit for the period	-	10,271	10,271
<b>At 30 September 2005</b>	<b>94,098</b>	<b>65,095</b>	<b>159,193</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2004 and the accompanying explanation notes attached to the interim financial statements.*

**NV MULTI CORPORATION BERHAD**

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**Condensed consolidated cash flow statement****For the nine (9) months period ended 30 September 2005**

	<b>30/09/2005</b>	<b>30/09/2004</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Net profit before taxation</b>	17,350	12,978
<b>Adjustment for non-cash flow items</b>	5,008	4,111
<b>Operating profit before changes in working capital</b>	22,358	17,089
<b>Changes in working capital</b>		
Net change in current and non-current assets	(19,968)	(12,352)
Net change in current and non-current liabilities	20,476	1,910
<b>Cash generated from operations</b>	22,866	6,647
Income taxes paid	(5,814)	(6,354)
Income taxes refund	928	-
<b>Net cash flows generated from operating activities</b>	17,980	293
<b>Investing Activities</b>		
Repurchase of shares	(725)	-
Purchase of property, plant and equipment	(3,284)	(2,322)
Interest income	634	1,191
Proceeds from disposal of property, plant and equipment	333	330
<b>Net cash used in investing activities</b>	(3,042)	(801)
<b>Financing Activities</b>		
Net borrowings	650	14,220
Interest paid	(1,721)	(1,815)
Dividends paid	(4,926)	(7,390)
<b>Net cash (used in)/generated from financing activities</b>	(5,997)	5,015
Net increase in cash and cash equivalents	8,941	4,507
Effect of exchange rate changes	(124)	(121)
<b>Cash and cash equivalents at 1 January</b>	16,840	10,892
<b>Cash and cash equivalents at 30 September</b>	25,657	15,278

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2004 and the accompanying explanation notes attached to the interim financial statements.*

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### **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 September 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 repayments of debt and equity securities, share repurchases, share cancellations, shares held as Treasury shares and resale of treasury shares**

There were repurchased of a total of 1,611,100 shares from the open market at an average price of RM0.45 per share during the current quarter and financial period to date. The shares repurchased are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965. None of the treasury share held were resold or cancelled during the period ended 30 September 2005.

There were no other issuance and repayments of debt and equity securities for the current quarter and financial period ended 30 September 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, plant and equipment 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 were no significant changes in the composition of the Group during the current financial quarter ended 30 September 2005.

### **A11. Subsequent events**

There were no material subsequent events to the end of the current quarter.

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### **A12. Capital Commitments**

Capital commitments not provided for in the financial statements as at 30 September 2005 are as follows:-

	<b>RM'000</b>
<b>Property, plant and equipment:-</b>	
- Authorised and contracted for	<u><b>234</b></u>

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

- (a) There is a guarantee of RM1.168 million as at 30 September 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.

There were no contingent asset which has arisen since the last financial year ended 31 December 2004.

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

#### B1. Comparison with preceding quarter

The Group registered a turnover of RM30.56 million and a pre-tax profit of RM5.13 million in the current quarter as compared to RM36.46 million and RM8.36 million respectively in the preceding quarter, representing a decrease of RM5.90 million or 16.18% in turnover and a corresponding decrease of RM3.23 million or 38.64% in pre-tax profit. The decrease in turnover was attributed mainly to the decrease in sale of the burial products, thus resulting in the decrease in profit before taxation. In addition, the lower profit was also due to the higher advertising and promotion expenses incurred on the launching of a new product, namely the NV Family Treasure in July 2005.

#### B2. Review of performance

The turnover is analysed as follows:

	<b>9 months ended 30.09.2005 RM'000</b>	<b>9 months ended 30.09.2004 RM'000</b>
Funeral Service Packages (“FSP”)	20,070	16,833
Other bereavement care products and services	83,053	72,437
	103,123	89,270
Add: Previous years’ pre-need FSP sales exercised and recognised in current year	3,773	1,699
Less: Deferment of current year’s pre-need FSP sales	(11,031)	(9,690)
	<b>95,865</b>	<b>81,279</b>

The Group recorded an increase of RM14.59 million in turnover for the current financial period from RM81.28 million in the preceding financial year corresponding quarter ended 30 September 2004 to RM95.87 million for the current financial period ended 30 September 2005. The increase of 17.95% was mainly due to the higher sales registered for both FSP and other bereavement care products and services.

Accordingly, the pre-tax profits improved by RM4.37 million or 33.67% from RM12.98 million registered in the preceding year corresponding quarter ended 30 September 2004 to RM17.35 million recorded for the current financial period ended 30 September 2005.



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### B2. Review of performance (cont'd)

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 September 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 September 2005.

### 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 September 2005.

### B4. Prospects

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

### B5. Taxation

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

	<b>9 months ended 30.09.2005 RM'000</b>	<b>9 months ended 30.09.2004 RM'000</b>
Malaysian taxation	6,954	3,916
Under provision (net of over provision) of taxation in respect of prior years	935	-
Transferred from deferred taxation	(1,217)	(22)
Total	<b>6,672</b>	<b>3,894</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.

The under provision of taxation was mainly due to the disallowance of deduction of certain expenses of prior years of a subsidiary company.

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

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

**B7. Quoted securities**

There were no purchases or disposals of quoted securities in the current quarter and financial period to date.

**B8. Status of corporate proposals**

There were no corporate proposals announced or pending completion as at the date of this announcement.

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

All borrowings are unsecured: -

	<b>RM'000</b>
<b>Revolving Credit</b>	<b>7,538</b>
<b>Medium Term Notes</b>	<b>35,000</b>
<b>Hire Purchase Payables:-</b>	
Payable within next 1 year	526
Payable after 1 year	1,191
<b>Total</b>	<b>1,717</b>

**B10. Off balance sheet 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 was no other pending material 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 are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the financial period as follows:-

	<b>3 months ended 30.09.2005</b>	<b>3 months ended 30.09.2004</b>	<b>9 months ended 30.09.2005</b>	<b>9 months ended 30.09.2004</b>
Net profit for the period (RM'000)	2,338	2,728	10,271	9,079
Weighted average number of ordinary shares ('000)	342,073	342,090	342,084	342,090
Basic earnings per share (sen)	0.68	0.80	3.00	2.65

**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 30.09.2005</b>	<b>As at 31.12.2004</b>
Total net tangible assets (RM'000)	152,189	141,988
Number of ordinary shares in issue ('000)	340,479	342,090
Par value per ordinary share (RM)	0.25	0.25
Net tangible assets per share (RM)	0.45	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 24 November 2005.