

Condensed consolidated income statement
For the three (3) and twelve (12) months period ended 31 December 2005

	3 months ended		12 months ended	
	← 31 December →		← 31 December →	
	2005 RM'000 Unaudited	2004 RM'000 Unaudited	2005 RM'000 Unaudited	2004 RM'000 Audited
Revenue	29,656	28,162	125,521	109,563
Operating profit	3,729	3,552	22,166	15,537
Interest expense	(581)	(623)	(2,302)	(2,233)
Interest income	174	282	808	2,729
Share of loss of associates	-	-	-	(20)
Profit before taxation	3,322	3,211	20,672	16,013
Taxation	(1,033)	(2,283)	(7,705)	(6,464)
Profit after taxation	2,289	928	12,967	9,549
Less: Minority interests	(72)	(119)	(479)	(70)
Net profit for the period / year	2,217	809	12,488	9,479
Basic earnings per ordinary share (sen)	0.67	0.24	3.68	2.77

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

(Company No: 204888-D)
(Incorporated in Malaysia)

Condensed consolidated balance sheet

As At 31 December 2005

	31 December 2005 RM'000 Unaudited	31 December 2004 RM'000 Audited
Property, plant and equipment	47,470	46,614
Land held for development	1,020	1,020
Other investments	228	228
Goodwill arising on consolidation	6,744	7,783
Deferred tax assets	12,399	11,342
Deferred acquisition cost	14,270	11,691
Trade receivables	12,844	13,134
Sinking fund	21,872	22,054
Pre-need funeral contract receivables	116	497
	116,963	114,363
Current Assets		
Inventory and development expenditure	159,190	138,389
Trade and other receivables	57,950	57,111
Pre-need funeral contract receivables	4,617	11,055
Tax recoverable	990	2,225
Deposit with licensed banks	1,556	2,748
Deposit with other licensed corporations	14,650	5,600
Cash and bank balances	8,729	8,548
	247,682	225,676
Current Liabilities		
Trade and other payables	68,265	53,288
Short term borrowings	7,559	6,885
Hire purchase payable	629	463
Dividends payable	-	4,926
Provision for taxation	4,767	2,424
	81,220	67,986
Net Current Assets	166,462	157,690
	283,425	272,053
Financed by:		
Share capital	85,523	85,523
Reserves		
Capital redemption reserve	1,582	1,582
Revaluation reserve	7,842	7,842
Exchange reserves	(67)	-
Retained profit	67,312	54,824
Treasury shares	(6,011)	-
Shareholders' equity	156,181	149,771
Minority Shareholders' Interests	4,548	4,200
Long Term and Deferred Liabilities		
Medium term notes	35,000	35,000
Hire purchase payables	1,598	632
Deferred tax liabilities	3,033	3,033
Deferred pre-need funeral contract revenue	83,065	79,417
	122,696	118,082
	283,425	272,053
Net assets per share (RM)	0.49	0.45

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.

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Condensed consolidated cash flow statement**For the twelve (12) months period ended 31 December 2005**

	31-Dec-05 RM'000 Unaudited	31-Dec-04 RM'000 Audited
Net profit before taxation	20,672	16,013
Adjustment for non-cash flow items	6,942	4,383
Operating profit before changes in working capital	27,614	20,396
Changes in working capital		
Net change in current and non-current assets	(17,059)	(7,002)
Net change in current and non-current liabilities	18,625	1,344
Cash generated from operations	29,180	14,738
Income taxes paid	(6,112)	(7,708)
Income taxes refund	928	-
Net cash flows generated from operating activities	23,996	7,030
Investing Activities		
Repurchase of shares	(6,011)	-
Purchase of property, plant and equipment	(3,646)	(8,514)
Interest income	808	2,729
Proceeds from disposal of associated company	-	141
Proceeds from disposal of property, plant and equipment	470	166
Net cash used in investing activities	(8,379)	(5,478)
Financing Activities		
Net borrowings	(283)	14,083
Withdrawal of fixed deposits pledged	56	141
Interest paid	(2,302)	(2,233)
Dividends paid	(4,926)	(7,390)
Net cash (used in)/generated from financing activities	(7,455)	4,601
Net increase in cash and cash equivalents	8,162	6,153
Effect of exchange rate changes	(67)	(205)
Cash and cash equivalents at 1 January	16,840	10,892
Cash and cash equivalents at 31 December	24,935	16,840

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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**Condensed consolidated statement of changes in equity
For the twelve (12) months period ended 31 December 2005**

	Non- distributable RM'000	Distributable Retained Profits RM'000	Total RM'000
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)
At 31 December 2004	94,947	54,824	149,771
Currency translation differences arising in the year	(67)	-	(67)
Repurchase of shares	(6,011)	-	(6,011)
Net profit for the year	-	12,488	12,488
At 31 December 2005	88,869	67,312	156,181

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.

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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 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 year ended 31 December 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 11,576,000 shares and 13,187,100 shares from the open market at an average price of RM0.45 per share during the current quarter and during the financial year ended respectively. 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 financial year ended 31 December 2005.

There were no other issuance and repayments of debt and equity securities for the current quarter and financial year ended 31 December 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 31 December 2005.

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A11. Subsequent events

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

A12. Capital Commitments

There were no capital commitment that was not provided for in the financial statements for the current quarter ended 31 December 2005.

A13. Contingent liabilities or contingent assets

- (a) There is a guarantee of RM1.019 million as at 31 December 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 RM29.66 million and a pre-tax profit of RM3.32 million in the current quarter as compared to RM30.56 million and RM5.13 million respectively in the preceding quarter, representing a marginal decrease of RM900,000 or 2.95% in turnover and a corresponding decrease of RM1.81 million or 35.28% in pre-tax profit. The decrease in turnover was attributed mainly by the decrease in sale of the burial products, thus resulting in the decrease in profit before taxation.

B2. Review of performance

The turnover is analysed as follows:

	12 months ended 31.12.2005 RM'000	12 months ended 31.12.2004 RM'000
Funeral Service Packages (“FSP”)	24,050	23,756
Other bereavement care products and services	108,270	95,964
	<u>132,320</u>	<u>119,720</u>
Add: Previous years’ pre-need FSP sales exercised and recognised in current year	4,929	3,579
Less: Deferment of current year’s pre-need FSP sales	(11,728)	(13,736)
	<u>125,521</u>	<u>109,563</u>

The Group recorded an increase of RM15.96 million in turnover for the current financial year from RM109.56 million in the preceding financial year ended 31 December 2004 to RM125.52 million for the current financial year ended 31 December 2005. The increase of 14.57% 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 RM4.66 million or 29.11% from RM16.01 million registered in the preceding year ended 31 December 2004 to RM20.67 million recorded for the current financial year ended 31 December 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 year ended 31 December 2005 to the date of this announcement which, is likely to substantially affect the results of the operations of the Group for the financial year ended 31 December 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 year ended 31 December 2005.

B4. Prospects for the Financial Year 2006

Barring any unforeseen circumstances, the Group will continue to strengthen its marketing strategies to boost sales performance and to rationalize its operations to achieve cost savings for better profits and to sustain its performance in the next financial year 2006.

B5. Taxation

Taxation charged for the current financial year ended 31 December 2005 was as follows:-

	12 months ended 31.12.2005 RM'000	12 months ended 31.12.2004 RM'000
Malaysian taxation	7,827	7,413
Under provision (net of over provision) of taxation in respect of prior years	935	652
Transferred from deferred taxation	(1,057)	(1,601)
Total	7,705	6,464

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 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 year ended 31 December 2005 other than the disposal of a piece of land measuring 7.49 acres situated in Kampung Nunton District of Kota Kinabalu, Sabah for a total consideration of RM2 million during the current quarter.

The net loss from the disposal amounted to RM53,000.

B7. Quoted securities

There were no purchases or disposals of quoted securities in the current quarter and financial year ended 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 31 December 2005

All borrowings are unsecured: -

	RM'000
Revolving Credit	7,559
Medium Term Notes	35,000
Hire Purchase Payables:-	
Payable within next 1 year	629
Payable after 1 year	1,598
Total	2,227

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.

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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.

B12. Dividend

The Board of Directors is pleased to declare an interim dividend of 12% less 28% income tax in respect of the financial year ended 31 December 2005, which will be paid on 13 April 2006. The entitlement date to the dividend payment will be on 16 March 2006.

B13. Earnings per share

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

	3 months ended 31.12.2005	3 months ended 31.12.2004	12 months ended 31.12.2005	12 months ended 31.12.2004
Net profit for the period/year (RM'000)	2,217	809	12,488	9,479
Weighted average number of ordinary shares ('000)	330,727	342,090	339,222	342,090
Basic earnings per share (sen)	0.67	0.24	3.68	2.77

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B14. Net assets per share

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

	As at 31.12.2005	As at 31.12.2004
Total net assets (RM'000)	160,729	153,971
Number of ordinary shares in issue ('000)	328,903	342,090
Par value per ordinary share (RM)	0.25	0.25
Net assets per share (RM)	0.49	0.45

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 27 February 2006.