

NV MULTI CORPORATION BERHAD

(Company No: 204888-D)

(Incorporated in Malaysia)

Unaudited condensed consolidated income statement**For the first quarter ended 31 March 2007**

	← 3 months ended 31 March →		← 3 months ended 31 March →	
	2007 RM'000 Unaudited	2006 RM'000 Unaudited	2007 RM'000 Unaudited	2006 RM'000 Unaudited
Revenue	27,537	29,403	27,537	29,403
Profit from operations	3,552	4,914	3,552	4,914
Finance costs	(559)	(635)	(559)	(635)
Share of gain of an associated company	-	-	-	-
Income from other investments	159	92	159	92
Profit before tax	3,152	4,371	3,152	4,371
Income tax expense	(937)	(1,361)	(937)	(1,361)
Net profit for the period	2,215	3,010	2,215	3,010
Attributable to :				
Equity holders of the Company	2,088	2,875	2,088	2,875
Minority interests	127	135	127	135
Net profit for the period	2,215	3,010	2,215	3,010
Earnings per share attributable to equity holders of the Company :				
Basic (sen)	0.61	0.87	0.61	0.87

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the condensed interim financial statements.

NV MULTI CORPORATION BERHAD

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**Unaudited condensed consolidated balance sheet
As At 31 March 2007**

	31 March 2007	31 December 2006
	RM'000	RM'000
	Unaudited	Audited
ASSETS		
Non-current Assets		
Property, plant and equipment	41,518	42,403
Prepaid land lease payments	2,150	2,167
Investment in associated company	674	674
Other investments	211	211
Sinking fund	28,009	26,832
Deferred acquisition cost	19,200	18,327
Trade receivables	3,025	4,460
Pre-need funeral contract receivables	417	254
Deferred tax assets	14,332	14,008
Goodwill arising on consolidation	6,744	6,744
Total Non-current Assets	116,280	116,080
Current Assets		
Inventories and development expenditure	189,363	181,934
Trade and other receivables	57,307	68,647
Pre-need funeral contract receivables	12,955	15,189
Cash and cash equivalents	23,016	26,966
Total Current Assets	282,641	292,736
Total Assets	398,921	408,816
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	85,523	85,523
Reserves	86,982	84,907
Equity attributable to equity holders of the Company	172,505	170,430
Minority Interests	5,478	5,422
Total Equity	177,983	175,852

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Unaudited condensed consolidated balance sheet**As At 31 March 2007 (cont'd)**

	31 March 2007	31 December 2006
	RM'000	RM'000
	Unaudited	Audited
Non-current and Deferred Liabilities		
Hire purchase and lease payables	1,633	1,745
Medium Term Notes	35,000	35,000
Deferred pre-need funeral contract revenue	103,759	101,961
Deferred tax liabilities	2,408	2,642
Total Non-current and Deferred Liabilities	142,800	141,348
Current Liabilities		
Trade and other payables	74,073	84,120
Hire purchase and lease payables	676	764
Borrowings	-	3,530
Tax liabilities	3,389	3,202
Total Current Liabilities	78,138	91,616
Total Liabilities	220,938	232,964
Total Equity and Liabilities	398,921	408,816
Net assets per share attributable to equity holders of the Company (RM)	0.50	0.50

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the condensed interim financial statements.

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Unaudited condensed consolidated statement of changes in equity For the first quarter ended 31 March 2007

	←----- Attributable To Equity Holders Of The Company ----->									
	←----- Non-distributable reserves ----->					Distributable reserve				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
As at 1 January 2006	85,523	-	7,842	119	1,582	67,080	(6,011)	156,135	4,527	160,662
Net income recognised directly in equity - currency translation differences	-	-	-	(6)	-	118	-	112	106	218
Net profit for the period	-	-	-	-	-	2,875	-	2,875	135	3,010
Total recognised income and expenses for the period	-	-	-	(6)	-	2,993	-	2,987	241	3,228
Dividends	-	-	-	-	-	(7,104)	-	(7,104)	-	(7,104)
As at 31 March 2006	<u>85,523</u>	<u>-</u>	<u>7,842</u>	<u>113</u>	<u>1,582</u>	<u>62,969</u>	<u>(6,011)</u>	<u>152,018</u>	<u>4,768</u>	<u>156,786</u>
As at 1 January 2007	85,523	39	7,842	168	1,582	75,276	-	170,430	5,422	175,852
Net income recognised directly in equity - currency translation differences	-	-	-	(181)	-	168	-	(13)	(70)	(83)
Net profit for the period	-	-	-	-	-	2,088	-	2,088	127	2,215
Total recognised income and expenses for the period	-	-	-	(181)	-	2,256	-	2,075	57	2,132
Additional acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	(1)	(1)
As at 31 March 2007	<u>85,523</u>	<u>39</u>	<u>7,842</u>	<u>(13)</u>	<u>1,582</u>	<u>77,532</u>	<u>-</u>	<u>172,505</u>	<u>5,478</u>	<u>177,983</u>

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 2006 and the accompanying explanatory notes attached to the condensed interim financial statements.

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**Unaudited condensed consolidated cash flow statement
For the first quarter ended 31 March 2007**

	← 3 months ended →	
	31 March 2007	31 March 2006
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	3,152	4,371
Adjustment for non-cash flow items	1,462	1,568
Operating Profit Before Working Capital Changes	4,614	5,939
Net change in current and non-current assets	6,067	(3,709)
Net change in current and non-current liabilities	(8,327)	(1,184)
Cash Generated From Operations	2,354	1,046
Interest paid	(559)	(635)
Income tax paid	(1,934)	(2,466)
Net Cash Used In Operating Activities	(139)	(2,055)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2	2,004
Interest income	161	144
Purchase of property, plant and equipment	(163)	(863)
Investment in an associated company	-	(490)
Net Cash Generated From Investing Activities	-	795
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net borrowings	(3,731)	(148)
Net Cash Used In Financing Activities	(3,731)	(148)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,870)	(1,408)
Effect of exchange differences	(80)	39
CASH AND CASH EQUIVALENTS AT 1 JANUARY	26,966	24,774
CASH AND CASH EQUIVALENTS AT 31 MARCH	23,016	23,405

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the condensed interim financial statements.

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Notes to the Interim Financial Report

Part A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)

A1. Basis of preparation

The condensed interim financial statements for the first quarter ended 31 March 2007 are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 ‘Interim Financial Reporting’ issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006. These explanatory notes attached to the condensed 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 2006.

A2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2006 except for the adoption of the revised FRS 117 Leases and FRS 124 Related Party Disclosures issued by MASB that are effective for financial year commencing 1 January 2007.

The adoption of the above standards does not have significant financial impact on the Group except for the following:

FRS 117 : Leases

Prior to 1 January 2007, lease of land and building held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation. The adoption of the revised FRS 117 Leases in year 2007 resulted in a change in the accounting policy relating to the classification of leases of land. Under FRS 117, leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and building are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

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A2. Changes in accounting policies (cont'd)

The Group has applied the change in accounting policy in respect of the leasehold land in accordance with the transitional provisions of FRS 117. As at 1 January 2007, the unamortised carrying amount of the leasehold land is classified as prepaid land lease payments. The classification of the leasehold land as prepaid land lease payments has been accounted for retrospectively in the consolidated balance sheets as at 31 December 2006 of which the following comparative figures have been restated :

	As restated RM'000	As previously reported RM'000
Property, plant and equipment	42,403	44,570
Prepaid land lease payments	2,167	-

However, the adoption of the FRS 117 has no financial effect on the consolidated income statements.

A3. Qualified financial statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

A4. 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 first quarter of each calendar year.

A5. 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 31 March 2007.

A6. Nature and amount of changes in estimates

There were no material changes in estimates used in the current quarter compared to the estimate used in the previous financial year, which have a material effect in the current quarter ended 31 March 2007.

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A7. Issuance and repayments of debt and equity securities, share repurchases, share cancellations, shares held as Treasury Shares and resale of Treasury Shares

There were no issuance and repayments of debt and equity securities, share repurchases, share cancellations, share held as Treasury Shares and resale of Treasury Shares during the current quarter ended 31 March 2007.

A8. Dividends paid

No dividend has been paid during the current quarter ended 31 March 2007.

A9. 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.

A10. 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.

A11. Changes in composition of the Group

On 1 March 2007, NV Multi Corporation (Hong Kong) Limited ("NVHK"), a wholly-owned subsidiary of the Company, has acquired additional 2,000 ordinary shares of HK\$1 each in the share capital of NV Care (HK) Co Limited ("NVC(HK)"), a company incorporated in Hong Kong at a total consideration of HK\$2,000 whereby NVHK now holds 71% equity interest in NVC (HK).

Other than as mentioned above, there were no other significant changes in composition of the Group during the current quarter ended 31 March 2007.

A12. Subsequent events

There was no subsequent event that would materially affect the results of the Group for the financial period ended 31 March 2007.

A13. Capital commitments

There were no capital commitment that was not provided for in the financial statements as at 31 March 2007.

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A14. Contingent liabilities or contingent assets

- (a) There is a guarantee of RM419,000 as at 31 March 2007 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 2006.

A15. Significant Transactions with Related Parties

The related parties transactions of the Group (which exclude all intra group transactions) have been entered into in the normal course of business. Listed below are the significant transactions and balances with the related parties of the Group during/as at the current quarter:

Nature of transaction	Transactions during the quarter ended 31 March 2007 RM'000	Amount due (to) / from as at 31 March 2007 RM'000	Relationship
Advances by Chung Kiaw Garments Sdn Bhd	-	(1,286)	A minority shareholder of Nirvana Memorial Park (Kuching) Sdn Bhd ("NIRK")
Advances by PT Khatulistiwa Persada Sejahtera	-	(1,990)	A minority shareholder of PT Alam Hijau Lestari
Advance by Hsieh Ming-Hsun	-	(914)	A minority shareholder of Harvest China Holdings Limited

There were no other significant transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their employment.

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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 RM27.54 million in the current quarter as compared to RM33.78 million in the preceding quarter, representing a decrease of RM6.24 million or 18.5%. The decrease in turnover was mainly due to the decrease in sales of burial plots and tomb products. Correspondingly, the pre-tax profit reduced from RM3.93 million in the preceding quarter to RM3.15 million in the current quarter representing a decrease of 19.8%.

B2. Review of performance of first quarter ended 31 March 2007 against first quarter ended 31 March 2006

The turnover is analysed as follows:

	3 months ended 31.03.2007 RM'000	3 months ended 31.03.2006 RM'000
Funeral Service Packages (“FSP”)	4,988	6,018
Other bereavement care products and services	23,301	23,676
	<hr/>	<hr/>
	28,289	29,694
Add: Previous years’ pre-need FSP sales exercised and recognised in current quarter	1,923	1,689
Less: Deferment of current quarter’s pre-need FSP sales	<hr/> (2,675) <hr/>	<hr/> (1,980) <hr/>
	<hr/> 27,537 <hr/>	<hr/> 29,403 <hr/>

The Group’s revenue decreased from RM29.40 million in the corresponding quarter of last year to RM27.54 million in the current quarter. This represents a decrease of 6.3% or RM1.86 million. The lower turnover was mainly attributed by the lower sales recorded on the burial products and funeral services packages. Correspondingly, pre-tax profits decreased by RM1.22 million or 27.9% from RM4.37 million recorded in the corresponding quarter of last year to RM3.15 million in the current quarter.

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 31 March 2007 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 31 March 2007.

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B3. Variance of actual profit from forecast profit and shortfall in the profit guarantee

The Company did not issue any profit forecast or profit guarantee during the financial period ended 31 March 2007.

B4. Prospects

Barring any unforeseen circumstance, the Board of Directors expect the Group to achieve continuing satisfactory growth for the financial year ending 31 December 2007.

B5. Taxation

Taxation charged for the current quarter ended 31 March 2007 are as follows:-

	3 months ended 31.03.2007 RM'000	3 months ended 31.03.2006 RM'000
Malaysian taxation	1,494	1,243
Transferred (from)/to deferred taxation	(557)	118
Total	937	1,361

The Malaysian tax is calculated at the statutory tax rate of 27% of the estimated taxable profit for the current financial period. However the effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes and no group tax relief for certain loss making subsidiaries.

B6. Sale of investments and/or properties

There were no sales of investments and/or properties during the current quarter ended 31 March 2007.

B7. Quoted securities

There were no purchases or disposals of quoted securities during the current quarter ended 31 March 2007.

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B8. Status of corporate proposals

- a. On 5 April 2006, the Company entered into a Memorandum of Understanding (“MOU”) with third parties to subscribe for 40% share in a joint venture company to be established to jointly develop and operate a memorial park in Vietnam.

On 11 May 2007, the Company has announced that the MOU has expired and therefore shall be considered null and void pursuant to clause 10.1 of the said MOU.

- b. On 22 May 2006, Nirvana Memorial Park Sdn Bhd, the wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement to dispose of its entire 65% equity interests or equivalent to 65,000 ordinary shares of RM1.00 each in NIRK with Chung Kiaw Garments Sdn Bhd (“CKG”), whereby, Madam Wong Nga Yang, a Director and substantial shareholder of NIRK is also a director and substantial shareholder of CKG, for a cash consideration of RM4.47 million. The disposal is expected to be completed in May 2009.
- c. On 9 November 2006, the Company entered into a MOU with Department of Natural Resources and Environment, Dong Nai Province, Vietnam with the intention to form a strategic alliance to assess the needs of Dong Nai Province's burial and bereavement infrastructure with the view of acquiring appropriate land and/or property, planning, constructing and managing upgraded systems of burial and bereavement facilities in Dong Nai Province, Vietnam. This transaction is currently awaiting the approval from the authorities in Vietnam.
- d. On 11 May 2007, the Company has announced its proposal to establish an Employees’ Share Option Scheme (“Proposed ESOS”) for the benefits of eligible Directors and employees of the Company and its subsidiary companies.

The Proposed ESOS is subject to the approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the new Company’s shares to be issued upon the exercise of Options granted under the Proposed ESOS;
- (ii) the shareholders of the Company for the Proposed ESOS at the forthcoming Extraordinary General Meeting (“EGM”); and
- (iii) any other relevant authorities/parties.

Bursa Securities has on 18 May 2007 approved the printing and issuance of the circular on the Proposed ESOS to seek for the shareholders’ approval in the forthcoming EGM.

Other than as mentioned above, there were no other corporate proposals announced or pending completion as at the date of this announcement.

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B9. Group borrowings

Particulars of the Group's borrowings as at 31 March 2007 are as follows:-

	RM'000
(i) Short term borrowings	
Secured :	
- Hire purchase and lease payables	<u>676</u>
(ii) Long term borrowings	
Secured :	
- Hire purchase and lease payables	1,633
Unsecured :	
- Medium Term Notes	<u>35,000</u>
	<u>36,633</u>

B10. Off balance sheet financial instruments

Other than disclosed in Note A14 (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 A14 (b) above, there was no other pending material litigation as at the date of this announcement.

B12. Dividend

The Board of Directors has recommended a first and final dividend of 13% less 27% income tax on 342,090,000 ordinary shares of RM0.25 each as of 31 December 2006 amounting to a dividend payable of approximately RM8,116,085 for the financial year ended 31 December 2006 subject to the shareholders' approval at the forthcoming Annual General Meeting. The proposed entitlement date and payment date of this dividend is fixed on 29 June 2007 and 17 July 2007 respectively. This dividend has not been included as a liability in this interim financial statements.

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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:-

	3 months ended 31.03.2007	3 months ended 31.03.2006
Net profit for the period (RM'000)	2,088	2,875
Weighted average number of ordinary shares ('000)	342,090	328,903
Basic earnings per share (sen)	0.61	0.87

B14. Net assets per share attributable to equity holders of the Company

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

	As at 31.03.2007	As at 31.12.2006
Total net assets attributable to equity holders of the Company (RM'000)	172,505	170,430
Number of ordinary shares in issue ('000)	342,090	342,090
Par value per ordinary share (RM)	0.25	0.25
Net assets per share attributable to equity holders of the Company (RM)	0.50	0.50

B15. Authorisation for issue

The unaudited condensed interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2007.