

**NV MULTI CORPORATION BERHAD**

( Company No: 204888-D)

(Incorporated in Malaysia)

**Unaudited condensed consolidated income statement  
For the second quarter ended 30 June 2008**

	3 months ended		6 months ended	
	30 June		30 June	
	2008 RM'000 Unaudited	2007 RM'000 Unaudited	2008 RM'000 Unaudited	2007 RM'000 Unaudited
<b>Continuing Operations</b>				
Revenue	39,212	33,128	71,181	58,785
Profit from operations	7,535	7,334	11,148	10,310
Finance costs	(551)	(527)	(1,082)	(1,086)
Share of profit/(loss) of an associated company	40	(20)	52	(20)
Income from other investments	100	148	229	307
<b>Profit before tax</b>	7,124	6,935	10,347	9,511
Income tax expense	(2,699)	(1,922)	(3,435)	(2,698)
<b>Net profit for the period from continuing operations</b>	4,425	5,013	6,912	6,813
<b>Discontinued Operation</b>				
Net profit for the period from discontinued operation	128	330	443	745
<b>Net profit for the period</b>	4,553	5,343	7,355	7,558
Attributable to :				
Equity holders of the Company				
- from continuing operations	3,752	5,028	5,870	6,846
- from discontinued operation	83	214	288	484
	3,835	5,242	6,158	7,330
Minority interests	718	101	1,197	228
<b>Net profit for the period</b>	4,553	5,343	7,355	7,558
<b>Earnings per share attributable to equity holders of the Company :</b>				
Basic, for the period from continuing operations (sen)	1.10	1.47	1.72	2.00
Basic, for the period from discontinued operation (sen)	0.02	0.06	0.08	0.14
Basic, for the period (sen)	1.12	1.53	1.80	2.14
Diluted, for the period from continuing operations (sen)	1.10	N/A	1.72	N/A
Diluted, for the period from discontinued operation (sen)	0.02	N/A	0.08	N/A
Diluted, for the period (sen)	1.12	N/A	1.80	N/A

N/A : Non-applicable

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the condensed interim financial statements.*

# NV MULTI CORPORATION BERHAD

( Company No: 204888-D)

(Incorporated in Malaysia)

## Unaudited condensed consolidated balance sheet

As At 30 June 2008

	<b>30 June 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	38,663	40,173
Prepaid lease payments	2,084	2,101
Investment in an associated company	4,052	1,700
Other investments	211	211
Sinking fund	32,891	35,351
Deferred acquisition cost	20,648	21,170
Trade receivables	6,495	7,475
Pre-need funeral contract receivables	361	1,074
Deferred tax assets	14,506	14,527
Goodwill arising on consolidation	10,926	8,279
<b>Total Non-current Assets</b>	<b>130,837</b>	<b>132,061</b>
<b>Current Assets</b>		
Inventories and development expenditure	199,889	194,984
Trade and other receivables	122,957	73,950
Pre-need funeral contract receivables	4,501	6,861
Cash and cash equivalents	25,355	33,737
<b>Total Current Assets</b>	<b>352,702</b>	<b>309,532</b>
<b>Assets of disposal group classified as held for sale</b>	<b>20,809</b>	<b>-</b>
<b>Total Assets</b>	<b>504,348</b>	<b>441,593</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	85,523	85,523
Reserves	93,918	92,704
<b>Equity attributable to equity holders of the Company</b>	<b>179,441</b>	<b>178,227</b>
Minority Interests	15,965	5,903
<b>Total Equity</b>	<b>195,406</b>	<b>184,130</b>

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(Incorporated in Malaysia)

**Unaudited condensed consolidated balance sheet  
As At 30 June 2008**

	<b>30 June 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Non-current and Deferred Liabilities</b>		
Hire purchase and lease payables	1,086	1,235
Medium Term Notes	-	35,000
Deferred pre-need funeral contract revenue	103,615	111,543
Deferred tax liabilities	2,393	2,496
<b>Total Non-current and Deferred Liabilities</b>	<b>107,094</b>	<b>150,274</b>
<b>Current Liabilities</b>		
Trade and other payables	134,471	102,934
Hire purchase and lease payables	592	772
Borrowings	38,141	-
Dividends payable	7,594	-
Tax liabilities	5,000	3,483
<b>Total Current Liabilities</b>	<b>185,798</b>	<b>107,189</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>16,050</b>	<b>-</b>
<b>Total Liabilities</b>	<b>308,942</b>	<b>257,463</b>
<b>Total Equity and Liabilities</b>	<b>504,348</b>	<b>441,593</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<b>0.52</b>	<b>0.52</b>

*The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the condensed interim financial statements.*

## NV MULTI CORPORATION BERHAD

( Company No: 204888-D)

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### Unaudited condensed consolidated statement of changes in equity For the second quarter ended 30 June 2008

	←----- Attributable To Equity Holders Of The Company -----→										
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	←----- Distributable -----→			Minority Interests RM'000	Total Equity RM'000
Retained Earnings RM'000							Treasury Shares RM'000	Total RM'000			
As at 1 January 2007	85,523	39	7,842	287	-	1,582	75,157	-	170,430	5,422	175,852
Net income recognised directly in equity - currency translation differences	-	-	-	(153)	-	-	168	-	15	(48)	(33)
Net profit for the period	-	-	-	-	-	-	7,330	-	7,330	228	7,558
Total recognised income and expenses for the period	-	-	-	(153)	-	-	7,498	-	7,345	180	7,525
Additional acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	(1)	(1)
Dividend	-	-	-	-	-	-	(8,116)	-	(8,116)	-	(8,116)
<b>As at 30 June 2007</b>	<b>85,523</b>	<b>39</b>	<b>7,842</b>	<b>134</b>	<b>-</b>	<b>1,582</b>	<b>74,539</b>	<b>-</b>	<b>169,659</b>	<b>5,601</b>	<b>175,260</b>

## NV MULTI CORPORATION BERHAD

( Company No: 204888-D)  
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### Unaudited condensed consolidated statement of changes in equity For the second quarter ended 30 June 2008

	←-----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	Share Option 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
<b>As at 1 January 2008</b>	85,523	39	7,842	80	-	1,582	83,161	-	178,227	5,903	184,130
Net income recognised directly in equity - currency translation differences	-	-	-	1,311	-	-	-	-	1,311	1,467	2,778
Net profit for the period	-	-	-	-	-	-	-	-	-	1,197	1,197
Total recognised income and expenses for the period	-	-	-	1,311	-	-	-	-	1,311	2,664	3,975
Dividend	-	-	-	-	-	-	(7,594)	-	(7,594)	-	(7,594)
Dividends paid by a subsidiary company to a minority preference shareholder	-	-	-	-	-	-	-	-	-	(150)	(150)
Share options granted under ESOS	-	-	-	-	1,339	-	-	-	1,339	-	1,339
Additional acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	(20)	(20)
Subscription / acquisition of shares in subsidiary companies	-	-	-	-	-	-	-	-	-	7,568	7,568
<b>As at 30 June 2008</b>	<b>85,523</b>	<b>39</b>	<b>7,842</b>	<b>1,391</b>	<b>1,339</b>	<b>1,582</b>	<b>75,567</b>	<b>-</b>	<b>173,283</b>	<b>15,965</b>	<b>189,248</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 2007 and the accompanying explanatory notes attached to the condensed interim financial statements.

**NV MULTI CORPORATION BERHAD**

( Company No: 204888-D)

(Incorporated in Malaysia)

**Unaudited condensed consolidated cash flow statement  
For the second quarter ended 30 June 2008**

	← 6 months ended →	
	30 June 2008	30 June 2007
	RM'000	RM'000
	Unaudited	Unaudited
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax		
- Continuing operations	10,347	10,545
- Discontinued operation	601	-
	10,948	10,545
Adjustment for non-cash flow items	3,619	2,933
Operating Profit Before Working Capital Changes	14,567	13,478
Net change in current and non-current assets	(68,243)	(6,176)
Net change in current and non-current liabilities	40,415	4,203
	(13,261)	11,505
Cash (Used In) / Generated From Operations	(13,261)	11,505
Interest paid	(1,082)	(1,086)
Income tax paid / refund (net)	(2,590)	(3,497)
	(16,933)	6,922
Net Cash (Used In) / Generated From Operating Activities	(16,933)	6,922
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	104	20
Interest received	229	307
Additions to property, plant and equipment	(1,605)	(609)
Investment in an associated company	(2,300)	-
	(3,572)	(282)
Net Cash Used In Investing Activities	(3,572)	(282)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Purchase of shares from minority shareholders of a subsidiary company	(20)	(1)
Proceeds from shares issued to minority shareholders of subsidiary companies	7,568	-
Dividends paid by a subsidiary company to a minority preference shareholder	(150)	-
Net borrowings / (Repayments)	2,712	(3,802)
	10,110	(3,803)
Net Cash Generated From / (Used In) Financing Activities	10,110	(3,803)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(10,395)	2,837
Effect of exchange differences	2,829	(47)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	32,921	26,966
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	25,355	29,756

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the condensed interim financial statements.*

# NV MULTI CORPORATION BERHAD

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## Notes to the Interim Financial Report

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

#### A1. Basis of preparation

The condensed interim financial statements for the second quarter ended 30 June 2008 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 2007. 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 2007.

#### 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 2007 except for the adoption of the following revised Financial Reporting Standards (“FRSs”) effective for financial year commencing on or after 1 January 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

The Directors anticipated that the adoption of the above FRSs and amendments to FRS are not expected to have any significant effects on the financial statements of the Group upon their initial application.

The effective date of FRS 139 Financial Instruments: Recognition and Measurement is yet to be determined by MASB and the Group will apply this standard when it becomes effective.

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### **A3. Qualified financial statements**

The auditors' report on the financial statements for the year ended 31 December 2007 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 due to the nature, size or incidence**

During the financial period ended 30 June 2008, Chiuan An Tai Development Co Ltd ("SPV"), a 90% owned subsidiary company of NV Multi Corporation (Taiwan) Ltd. ("NVTw"), has acquired 57 pieces of land situated at Long She Sector, Houlong Town, Miaoli County, Taiwan measuring approximately 234,052 sq meter for the Build, Operate and Own of a memorial park together with a crematorium and a funeral complex ("BOO") for a total consideration of TWD390,000,000, equivalent to approximately RM41,991,000. This amount has been included in the trade and other receivables.

Other than as disclosed above, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 June 2008.

### **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 30 June 2008.

### **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 30 June 2008.

### **A8. Dividends paid**

No dividend has been paid during the current quarter ended 30 June 2008.



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### **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**

Other than as disclosed in Note B8, there were no other significant changes in composition of the Group during the current quarter ended 30 June 2008.

### **A12. Assets Classified as Held for Sale**

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 Nirvana Memorial Park (Kuching) Sdn Bhd ("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 and will generate an estimated gain of RM2.0 million in May 2009 at the Group level. As at 30 June 2008, NIRK group has been classified as a disposal group held for sale.

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**A12. Assets Classified as Held for Sale (cont'd)**

The revenue, profit and cash flows attributable to the discontinued operation were as follows:-

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2008 RM'000</b>	<b>30 June 2007 RM'000</b>	<b>30 June 2008 RM'000</b>	<b>30 June 2007 RM'000</b>
Revenue	2,112	2,211	4,021	4,091
Profit before taxation	150	458	601	1,034
Income tax expense	(22)	(128)	(158)	(289)
Net profit for the period *	128	330	443	745
Cash flows from operating activities	(189)	142	(301)	39
Cash flows from investing activity	(81)	(9)	(96)	(9)
Cash flows from financing activity	59	-	59	-
Total cash flows	(211)	133	(338)	30

\* In the circumstances of discontinued operation, FRS requires that the profit earned by the discontinued operation, on the inter-company transactions with the continuing operations be eliminated on consolidation from the discontinued operation and attributed to the continuing operations and vice versa. This adjustment has increased the net profit of the discontinued operation and decreased the net profit of the continuing operations. This representation does not indicate the profit earned by continuing operations or discontinued operation, as if they were standalone entities, for past periods or likely to be earned in future periods.

The major classes of assets and liabilities of the disposal group classified as held for sale as at 30 June 2008 were as follows:-

	<b>RM'000</b>
<b>Assets :</b>	
Property, plant and equipment	1,269
Sinking fund	1,423
Deferred acquisition cost	1,551
Deferred tax assets	250
Goodwill arising on consolidation	74
Inventories and development expenditure	10,942
Trade and other receivables	4,525
Pre-need funeral contract receivables	298
Cash and cash equivalents	477
<b>Assets of disposal group classified as held for sale</b>	<b>20,809</b>

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**A12. Assets Classified as Held for Sale (cont'd)**

	<b>RM'000</b>
<b>Liabilities :</b>	
Deferred pre-need funeral contract revenue	(5,529)
Trade and other payables	(10,393)
Hire purchase	(59)
Tax liabilities	(69)
	<hr/>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>(16,050)</b>
	<hr/>
<b>Net assets attributable to discontinued operation</b>	<b>4,759</b>
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**A13. Subsequent events**

Other than as disclosed in Note B8, there was no other subsequent event that would materially affect the results of the Group for the financial period ended 30 June 2008.

**A14. Capital commitments**

Capital commitments which have been approved and contracted for but not provided for in the financial statements as at 30 June 2008 are as follow:-

	<b>RM'000</b>
Property, plant and equipment	906
	<hr/>

**A15. Contingent liabilities or contingent assets**

- (a) There is a guarantee of RM186,231 as at 30 June 2008 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 is a legal suit amounting to RM2,006,195, against a subsidiary company, which the solicitors are of the view that the claim is unfounded and in any event grossly inflated.

There were no contingent asset which has arisen since the last financial year ended 31 December 2007.

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**A16. 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 30 June 2008 RM'000	Amount due to as at 30 June 2008 RM'000	Relationship
Advances by CKG	-	1,286	A shareholder NIRK
Advances by PT Khatulistiwa Persada Sejahtera	-	1,858	A shareholder of PT Alam Hijau Lestari
Advance by Hsieh Ming Hsun	1,525	2,457	A shareholder of Harvest China Holdings Limited ("HCH") and NV Multi Capital Sdn Bhd ("NVCap")
Advance by / (Repayment to) Lee Kim Kiong	(3)	386	A director and shareholder of Eight Eleven Services Sdn Bhd (formerly known as Top Paramount Sdn Bhd)
Advance by Koh Chor Kian	-	422	A shareholder of NV Care (Penang) Sdn Bhd
(Repayment to) / Advance by Lin Jui Shen	(2,925)	13,830	A director and shareholder of NVTw and SPV

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 RM41.32 million (comprising RM39.21 million from continuing operations and RM2.11 million from discontinued operation) in the current quarter as compared to RM33.88 million (comprising RM31.97 million from continuing operations and RM1.91 million from discontinued operation) in the preceding quarter, representing an increase of RM7.44 million or 22%. The increase in turnover was mainly due to the increase in sales of burial plots. Correspondingly, the profit before tax increased to RM7.27 million (comprising RM7.12 million from continuing operations and RM0.15 million from discontinued operation) from RM3.67 million (comprising RM3.22 million from continuing operations and RM0.45 million from discontinued operation) in the preceding quarter despite the provision of Employee Share Option Scheme (“ESOS”) expenses amounting to RM885,000 in the current quarter compared to RM454,000 in the preceding quarter.

**B2. Review of performance****(a) Performance of 3 months ended 30 June 2008 against 3 months ended 30 June 2007**

The turnover is analysed as follows:

	3 months ended 30.06.2008			3 months ended 30.06.2007		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Funeral Service Packages (“FSP”)	6,261	311	6,572	6,402	156	6,558
Other bereavement care products and services	34,944	1,781	36,725	30,206	2,059	32,265
	41,205	2,092	43,297	36,608	2,215	38,823
Add: Previous year Pre-need FSP sales recognised in current quarter	1,122	289	1,411	1,432	92	1,524
Less: Deferment of current quarter’s pre-need FSP sales	(3,115)	(269)	(3,384)	(4,912)	(96)	(5,008)
	39,212	2,112	41,324	33,128	2,211	35,339

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

The Group's revenue increased from RM35.34 million (comprising RM33.13 million from continuing operations and RM2.21 million from discontinued operation) in the corresponding quarter of last year to RM41.32 million (comprising RM39.21 million from continuing operations and RM2.11 million from discontinued operation) in the current quarter. This represents an increase of 17% or RM5.98 million. However, profit before tax has decreased from RM7.39 million (comprising RM6.93 million from continuing operations and RM0.46 million from discontinued operation) as recorded in corresponding quarter of last year to RM7.27 million (comprising RM7.12 million from continuing operations and RM0.15 million from discontinued operation) mainly due to the provision of ESOS expenses amounting to RM885,000 and higher marketing and promotion expenses in the current quarter.

**(b) Performance of 6 months ended 30 June 2008 against 6 months ended 30 June 2007**

	6 months ended 30.06.2008			6 months ended 30.06.2007		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Funeral Service Packages ("FSP")	9,122	597	9,719	10,950	597	11,547
Other bereavement care products and services	63,189	3,513	66,702	51,833	3,732	55,565
	72,311	4,110	76,421	62,783	4,329	67,112
Add: Previous year Pre-need FSP sales recognised in current quarter	2,879	316	3,195	3,211	236	3,447
Less: Deferment of current quarter's pre-need FSP sales	(4,009)	(405)	(4,414)	(7,209)	(474)	(7,683)
	<b>71,181</b>	<b>4,021</b>	<b>75,202</b>	<b>58,785</b>	<b>4,091</b>	<b>62,876</b>

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

The Group recorded an increase of RM12.32 million in turnover for the current financial period from RM62.88 million (comprising RM58.79 million from continuing operations and RM4.09 million from discontinued operation) recorded in the preceding financial year corresponding period ended 30 June 2007 to RM75.20 million (comprising RM71.18 million from continuing operations and RM4.02 million from discontinued operation) for the current financial period ended 30 June 2008. The increase of 20% was contributed from the higher sales registered for all type of products.

However, pre-tax profits increased marginally by RM410,000 from RM10.54 million (comprising RM9.51 million from continuing operations and RM1.03 million from discontinued operation) registered in the preceding financial year corresponding period ended 30 June 2007 to RM10.95 million (comprising RM10.35 million from continuing operations and RM0.60 million from discontinued operation) recorded for the current financial period ended 30 June 2008 due mainly to the provision of ESOS expenses amounting to RM1.34 million and higher marketing and promotion expenses in the current financial period.

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 2008 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 2008.

### **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 30 June 2008.

### **B4. Prospects**

Barring any unforeseen circumstance, the Board of Directors expects the performance of the Group to remain satisfactory for the financial year ending 2008.

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**B5. Taxation**

Taxation charged for the current quarter and financial period ended 30 June 2008 are as follows:-

## (a) 3 months ended 30 June

	<b>3 months ended 30.06.2008 RM'000</b>	<b>3 months ended 30.06.2007 RM'000</b>
<b><u>Continuing operations</u></b>		
Malaysian taxation	2,386	2,056
Foreign taxation		
Current period	83	-
Under provision in prior year	102	-
Transferred to / (from) deferred taxation	128	(134)
	<b>2,699</b>	<b>1,922</b>
<b><u>Discontinued operation</u></b>		
Malaysian taxation	22	128
	<b>2,721</b>	<b>2,050</b>

## (b) 6 months ended 30 June

	<b>6 months ended 30.06.2008 RM'000</b>	<b>6 months ended 30.06.2007 RM'000</b>
<b><u>Continuing operations</u></b>		
Malaysian taxation	3,450	3,389
Foreign taxation		
Current period	215	-
Under provision in prior year	102	-
Transferred from deferred taxation	(332)	(691)
Total	<b>3,435</b>	<b>2,698</b>
<b><u>Discontinued operation</u></b>		
Malaysian taxation	158	289
	<b>3,593</b>	<b>2,987</b>



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### **B5. Taxation (cont'd)**

The Malaysian tax is calculated at the statutory tax rate of 26% of the estimated taxable profit for the current financial period. However the effective tax rate for the current quarter and financial period to date 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 30 June 2008.

### **B7. Quoted securities**

There were no purchases or disposals of quoted securities during the current quarter ended 30 June 2008.

### **B8. Status of corporate proposals**

- (a) On 12 November 2007, NV Overseas Ltd, a 60%-owned subsidiary of NV Multi Corporation (Hong Kong) Limited, a wholly-owned subsidiary of the Company, entered into a JVA with Lotus Investment and Technologies Development Co. Ltd., a company incorporated in Vietnam, to set up a joint stock company to be named as NV Multi Lotus Joint Stock Company (“NV Lotus”) in Vietnam by 28 September 2008 for the development, operation and management of a memorial park in Kim Thanh Village, Son Tay Town, Ha Tay Province, Vietnam.
- (b) On 9 June 2008, NVTw, a 51%-owned subsidiary of NVCap, has completed the acquisition of 90% equity interests in SPV. SPV has a paid-up capital of TWD400,000,000 divided into 40,000,000 shares of TWD10.00 each.
- (c) On 1 July 2008, NV Alliance Sdn. Bhd. (“NVA”), a wholly-owned subsidiary of the Company, has entered into the following:
  - i. an Agreement with Tiram Memorial Park Sdn. Bhd. (“Tiram”) the existing operator of Tiram Memorial Park located at Lot 338, Mukim of Sg Tiram, Johor Bahru measuring approximately 10 acres (hereinafter referred to as “Tiram Memorial Park”) to appoint NVA as the sole marketing agent for marketing and sale of all the funerary products comprised in Tiram Memorial Park for a period of 3 years commencing from 1 July 2008.

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### B8. Status of corporate proposals (cont'd)

- ii. an Option Agreement with Messrs Chew Kong Mee and Chew Swe Wing ("Chew"), the existing shareholders of Tiram, to grant NVA the right to acquire 70% equity interests in Tiram at a cash consideration of RM700,000.00 within the option period expiring on 30 June 2010.

On the same date, HCH, a 85%-owned subsidiary of NV Multi Corporation (Hong Kong) Limited, which is a wholly owned subsidiary of the Company, has entered into a License Agreement with Tiram to grant Tiram, the license to use the trade names of "Nirvana Memorial Park" and "Nirvana, total peace of mind" together with the logotype over all bereavement care businesses undertaken by Tiram in relation to Tiram Memorial Park. Tiram shall pay to HCH license fee in consideration of the rights granted.

- (d) As announced on 28 July 2008, Nirvana Memorial Garden Pte. Ltd. ("NMG"), a 70%-owned subsidiary of NV Multi Corporation (Singapore) Pte. Ltd. which is a wholly-owned subsidiary of the Company, had on 15 November 2007 entered into a conditional agreement with Col Tan Hong Huat to purchase all the rights, interests and benefits of Intersanctuary Limited ("Intersanctuary") under the Management Agreement dated 17 August 2004 made between Intersanctuary and Mount Prajna Limited ("MPL") for a consideration of S\$3,500,000 (the "Acquisition"). It was a condition, inter alia, that completion of the Acquisition would take place after Intersanctuary's debt of S\$36,509,926.39 owing to Industrial and Commercial Bank of China Limited, Singapore Branch is reduced to a sum not exceeding S\$10,500,000 (the "Settlement").

Subsequently on 7 August 2008, NMG had completed the Acquisition and the Settlement.

Save as disclosed in Note A5, A11 to A13 above and as mentioned above, there were no other corporate proposals announced or pending completion as at the date of this announcement.

### B9. Group borrowings

Particulars of the Group's borrowings as at 30 June 2008 are as follows:-

	RM'000
<b><u>Continuing operations</u></b>	
(a) i. <b>Short term borrowings</b>	
Secured :	
- Hire purchase and lease payables	592
Unsecured :	
- Medium Term Notes	35,000
- Revolving Credit	3,141
	<hr/> 38,733

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**B9. Group borrowings (cont'd)**

Particulars of the Group's borrowings as at 30 June 2008 are as follows:-

	<b><u>Continuing operations</u></b>	
ii.	<b>Long term borrowings</b>	
	Secured :	
	- Hire purchase and lease payables	1,086
	Total	<b>39,819</b>
	<b><u>Discontinued operation</u></b>	
(b) i.	<b>Short term borrowings</b>	
	Secured :	
	- Hire purchase payables	59
		<b>39,878</b>
(c)	Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 June 2008 were as follows :	
	<b>Foreign Currency</b>	<b>RM'000</b>
	Singapore Dollar	2,487
	US Dollar	654
	Indonesian Rupiah	40
		<b>3,181</b>

**B10. Off balance sheet financial instruments**

Other than disclosed in Note A15 (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 A15 (b) above, there was no other pending material litigation as at the date of this announcement.

**B12. Dividend**

At the Seventeenth Annual General Meeting held on 26 June 2008, the shareholders had approved the payment of the first and final dividend of 12% less 26% tax (previous corresponding year : 13% less 27% tax) per ordinary shares of RM0.25 each of the Company in respect of the financial year ended 31 December 2007. The dividend was paid on 13 August 2008.

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**B13. Earnings per share**

- (a) Basic earnings per share are calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:-

	<b>3 months ended 30.06.2008</b>	<b>3 months ended 30.06.2007</b>	<b>6 months ended 30.06.2008</b>	<b>6 months ended 30.06.2007</b>
Net profit for the period from continuing operations attributable to equity holders of the Company (RM'000)	3,752	5,028	5,870	6,846
Net profit for the period from discontinued operation attributable to equity holders of the Company (RM'000)	83	214	288	484
Net profit for the period attributable to equity holders of the Company (RM'000)	3,835	5,242	6,158	7,330
Weighted average number of ordinary shares ('000)	342,090	342,090	342,090	342,090
Basic earnings per share (sen)				
- from continuing operations	1.10	1.47	1.72	2.00
- from discontinued operation	0.02	0.06	0.08	0.14
- for the period	1.12	1.53	1.80	2.14

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**B13. Earnings per share (cont'd)**

- (b) For the purpose of calculating diluted EPS, the weighted average number of shares in issue during the period has been adjusted for the dilutive effects of all potential ordinary shares granted under the ESOS as shown below:

	<b>3 months ended 30.06.2008</b>	<b>6 months ended 30.06.2008</b>
Net profit for the period from continuing operations attributable to equity holders of the Company (RM'000)	3,752	5,870
Net profit for the period from discontinued operation attributable to equity holders of the Company (RM'000)	83	288
Net profit for the period attributable to equity holders of the Company (RM'000)	<u>3,835</u>	<u>6,158</u>
Weighted average number of ordinary shares ('000)	342,090	342,090
Effect of dilution ('000)	<u>712</u>	<u>540</u>
Weighted average number of ordinary shares in issue and issuable ('000)	<u>342,802</u>	<u>342,630</u>
Diluted earnings per share (sen)		
- from continuing operations	1.10	1.72
- from discontinued operation	<u>0.02</u>	<u>0.08</u>
- for the period	<u>1.12</u>	<u>1.80</u>

The effect on the diluted earnings was not computed for the financial period ended 30 June 2007 as the option under the ESOS was granted on 14 February 2008.

**B14. 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 29 August 2008.