

Nirvana
A Lifetime of Love

cover rationale

At Nirvana, we believe that love makes the world a better place. It is what makes people care for each other and makes people stay loyal to each other through thick and thin. It is what makes us want to commit ourselves to serving you better, for life.

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notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at Level 3, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday, 28 June 2006 at 11.00 a.m. to transact the following business:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2005 together with the Reports of the Directors and Auditors thereon. Resolution 1
2. To re-elect Dato' Kong Hon Kong, a Director retires pursuant to Article 78 of the Company's Articles of Association. Resolution 2
3. To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association:-
 - a. Mr. Soo Wei Chian Resolution 3
 - b. Mr. Kong Yew Foong Resolution 4
 - c. Mr. Hew Tien Shoong Resolution 5
4. To consider and thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-

"THAT Jen (B) Tan Sri Yaacob Bin Mat Zain, who is over the age of seventy years and retiring pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting."

Resolution 6
5. To approve the payment of Directors' fees for the year ended 31 December 2005. Resolution 7
6. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 8

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:-

7. Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors, may, in their absolute discretion, deem fit, provided that the aggregate numbers of shares to be issued does not exceed 10% of the total issued and paid-up share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for listing and quotation for the additional shares so issued onto the Bursa Malaysia Securities Berhad ("Bursa Securities") and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 9

notice

of annual general meeting

8. Proposed Renewal of Shareholders' Mandate for Share Buy-Back

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of the Bursa Securities and the approvals of all relevant authorities, the Company be and is hereby authorised to the fullest extent permitted by law, to purchase and/or hold such amount of ordinary shares of RM0.25 each in the Company as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

- a. The number of shares purchased and/or held by the Company shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on the Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sales of shares on the market of the Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy back which was obtained at the Annual General Meeting held on 28 June 2005, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on the Bursa Securities;
- b. The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of retained profits of the Company at the time of purchase, and
- c. The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with in all or any of the following manners (as selected by the Company):
 - i. the shares so purchased may be cancelled; and/or
 - ii. the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of the Bursa Securities and/or subsequently cancelled; and/or
 - iii. part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

AND THAT such authority shall commence upon passing of this ordinary resolution, until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, unless earlier revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is earlier, but so as not to prejudice the completion of the purchase(s) made before such expiry date.

notice

of annual general meeting

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities."

Resolution 10

9. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

Chen Huey JUAN (MAICSA 7005590)
Company Secretary

Kuala Lumpur
2 June 2006

Notes:-

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies; and in the case of corporation, a duly authorised representative to attend and vote in his stead.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
5. **Explanatory notes on Special Business:-**
 - 5.1 The Proposed Resolution 9, if passed, will empower the Directors of the Company to issue and allot ordinary shares from the unissued capital of the Company up to an amount not exceeding 10% of the Company's total issued and paid-up share capital for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a General Meeting, will expire at the next Annual General Meeting of the Company.
 - 5.2 The Proposed Resolution 10, if passed, will empower the Directors to exercise the power of the Company to purchase its own shares by utilising its financial resources not immediately required. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Share Buy-Back are set out in the Share Buy-Back Statement on pages 79-83 of 2005 Annual Report.

statement

accompanying notice of annual general meeting

PURSUANT TO PARAGRAPH 8.28(2) OF
THE LISTING REQUIREMENTS OF THE
BURSA MALAYSIA SECURITIES BERHAD

1. Directors who are standing for re-election at the forthcoming Fifteenth Annual General Meeting are as follows:-

	Retirement pursuant to the Company's Articles of Association/Companies Act, 1965	Name
i	Article 78	Dato' Kong Hon Kong
ii	Article 85	Mr. Soo Wei Chian Mr. Kong Yew Foong Mr. Hew Tien Shoong
iii	Section 129	Jen (B) Tan Sri Yaacob Bin Mat Zain

The profile of the above Directors are set out in the Directors' Profile appearing on pages 10 to 12 of the Annual Report.

2. Details of attendance of Directors at Board Meetings

Details of attendance of Directors at Board Meetings convened during the financial year ended 31 December 2005 are set out on page 16 of the Annual Report.

3. Place, date and time of the Fifteenth Annual General Meeting

Venue : Level 3, Wisma NV Multi
No 1, Jalan 1/116A
Off Jalan Sungai Besi
57100 Kuala Lumpur

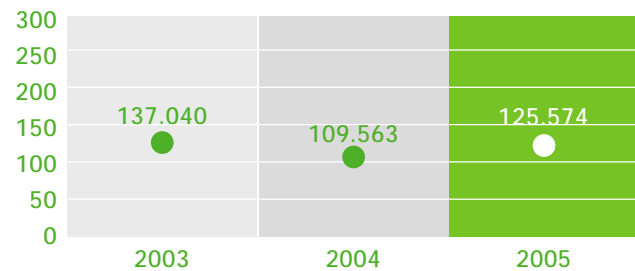
Date : Wednesday, 28 June 2006

Time : 11.00 a.m.

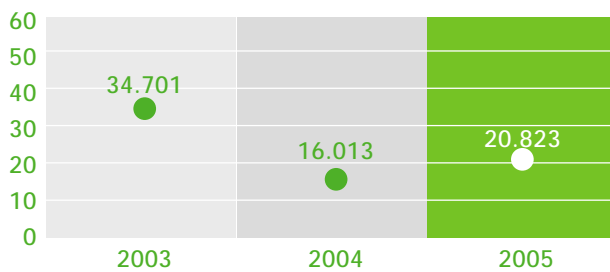
3 years group financial focus

	2003	2004	2005
Turnover (RM Million)	137.040	109.563	125.574
Profit Before Taxation (RM Million)	34.701	16.013	20.823
Net Earnings Per Share (Sen)	6.52#	2.77	3.67
Shareholders' Funds (RM Million)	149.042	149.771	156.135
Total Assets (RM Million)	321.962	340.039	361.477

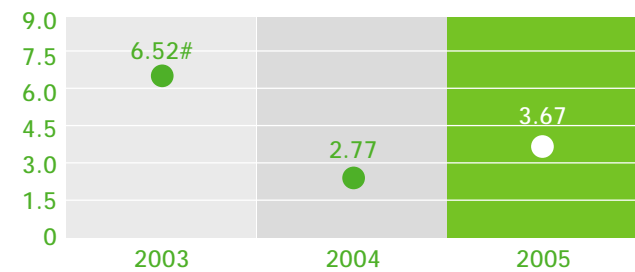
turnover (RM Million)



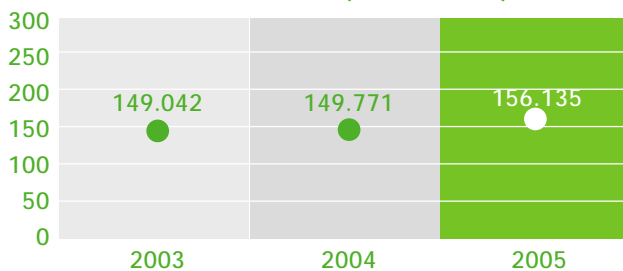
profit before taxation (RM Million)



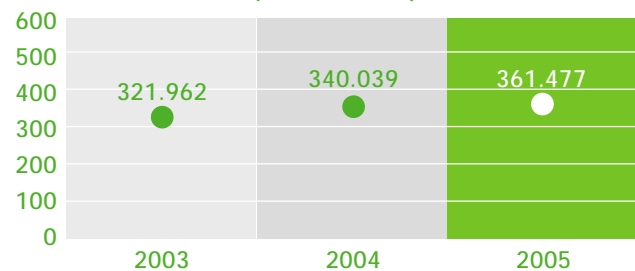
net earnings per share (Sen)



shareholders' fund (RM Million)



total assets (RM Million)



Pro forma earnings per share has been calculated to reflect the bonus issue and share split exercise that was completed in year 2004.

principal offices

CORPORATE OFFICE WISMA NV MULTI

No 1, Jalan 1/116A, Off Jalan Sungai Besi,
57100 Kuala Lumpur.

Tel No. : 03-7981 8899

Fax No. : 03-7980 0710

Website www.nvmc.com.my

MALAYSIA

OFFICE ADDRESSES

JOHOR BAHRU OFFICE

Lot 2966, KM3, Jalan Gelang Patah
81300 Skudai, Johor
Tel No. : 07-558 6666
Fax No. : 07-554 2288

KOTA KINABALU OFFICE

Lot 16, Taman Victory
4th Mile, Jalan Penampang
88300 Kota Kinabalu, Sabah
Tel No. : 088-727 666
Fax No. : 088-729 179

KUCHING OFFICE

No. 6, Jalan Petanak
93100 Kuching, Sarawak
Tel No. : 082-258 488
Fax No. : 082-412 488

PETALING JAYA OFFICE

Jalan 229 Section 51A
Petaling Jaya
46100 Selangor
Tel No. : 03-7876 0744
Fax No. : 03-7874 9313

SEGAMAT OFFICE

No. 262, Jalan Syed Abdul Kadir
Kg. Abdullah
85000 Segamat, Johor
Tel No. : 07-932 2339
Fax No. : 07-932 2389

SIBU OFFICE

No. 48, Lane 1, Lanang Road
96000 Sibu, Sarawak
Tel No. : 084-322 111
Fax No. : 084-323 111

SITE ADDRESSES

NIRVANA MEMORIAL PARK, SEMENYIH

Batu 6 Jalan Kachau
Semenyih, 43500 Selangor
Tel No. : 03-8723 0598/99
Fax No. : 03-8723 6589

NIRVANA MEMORIAL PARK, KOTA KINABALU

Mile 15th, Jalan Bukit Gilling
Off Jalan Tuaran Lama
Tuaran District, Sabah
Tel No. : 019-861 9081

NIRVANA MEMORIAL PARK, KUCHING

Bau O.T. 3776 & 1856
Jalan Bau-Kuching
Senggi-Poak Land District
Tafosak, Bau
94000 Sarawak
Tel No. : 082-699 580
Fax No. : 082-699 581

NIRVANA MEMORIAL PARK, KULAI

Lots 766 & 767
Jalan Kota Tinggi (5km)
81000 Kulai, Johor
Tel No. : 07-662 1188/99
Fax No. : 07-662 1000

NIRVANA MEMORIAL PARK, SEGAMAT

Lots 3870-3888 C. T. 13662-13680
Lot 681 C. T. Grant 19351
Jementah, Segamat, Johor

NIRVANA MEMORIAL PARK, SIBU

Sublot 1605, Mile 23
Jalan Oya
96000 Sibu, Sarawak
Tel No. : 019-776 7898

BEREAVEMENT CARE SALES AND SERVICE CENTRES

PENANG OFFICE

No. 96 Cintra Street
10100 Penang
Tel No. : 04-261 9699
Fax No. : 04-261 1070

INDONESIA

OFFICE ADDRESS

JAKARTA OFFICE

Pusat Niaga Roxy Mas
Block D3/34-35
Jl. K. H. Hasyim Ashari
Jakarta Pusat 10150
Tel No. : 006221-633 2227
Fax No. : 006221-6385 6666

SITE ADDRESS

TAMAN KENANGAN LESTARI, KARAWANG BARAT

Desa Margakaya
Kecamatan Telukjambe
Kebupaten Karawang
Jakarta



corporate information

BOARD OF DIRECTORS

Jen (B) Tan Sri Yaacob bin Mat Zain
Dato' Kong Hon Kong
Lee Ah Kong
Soo Wei Chian
Kong Yew Foong
Mohamed Taib bin Mahmood
Hew Tien Shoong

Independent Non-Executive Chairman
Managing Director
Executive Director
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

AUDIT COMMITTEE

Jen (B) Tan Sri Yaacob bin Mat Zain
Soo Wei Chian
Mohamed Taib bin Mahmood

Chairman

COMPANY SECRETARY

Chen Huey Jui-an

AUDITORS

Messrs. Deloitte KassimChan
Chartered Accountants
Level 19, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya, Selangor
Tel No. : 03-7723 6500
Fax No. : 03-7726 3986

REGISTERED OFFICE

Level 3A, Wisma NV Multi
No. 1, Jalan 1/116A
Off Jalan Sungai Besi
57100 Kuala Lumpur
Tel No. : 03-7981 8899
Fax No. : 03-7980 0710

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad
Stock Code: 5021
Stock Name: NVMULTI

REGISTRAR

PFA Registration Services Sdn Bhd
Level 13, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya, Selangor
Tel No. : 03-7725 4888
Fax No. : 03-7722 2311

WEBSITE

www.nvmc.com.my

PRINCIPAL BANKERS

The Development Bank of Singapore Ltd
EON Bank Berhad
Alliance Bank Malaysia Berhad

EMAIL ADDRESS

nvmulti@nvmc.com.my



corporate structure as at 31 December 2005



directors'

profile

JEN (B) TAN SRI YAACOB BIN MAT ZAIN

Chairman, Aged 71, Malaysian

(Independent Non-Executive Director)

Jen (B) Tan Sri Yaacob Bin Mat Zain was re-appointed as Chairman of NV Multi on 28 April 2000. He was previously Chairman of NV Multi during the period from 20 June 1995 to 1 May 1998. He is also the Chairman of Audit, Remuneration and Nomination Committee of the Company.

He obtained his education at the Royal Military Academy, Sandhurst, United Kingdom, Australian Army General Command and Staff College, the Naval Post Graduate School in Monterey, United States of America, the Royal College of Defence Studies in United Kingdom and Advance Management Programme at Harvard Business School.

He has accumulated 40 years of service in Angkatan Tentera Malaysia before retiring in 1993 as a Panglima Angkatan Tentera Malaysia.

He also holds directorships in several private companies.

His directorships in other public companies are as follows:-

- Chairman of Affin Merchant Bank Berhad.
- Chairman of Syarikat Permodalan Kebangsaan Berhad.
- Chairman of SPK Sentosa Bhd.
- Chairman of Mah Sing Group Berhad.
- Chairman of FTEC Resources Berhad.
- Board member of Rating Agency Malaysia Berhad.

DATO' KONG HON KONG, DAVID

Managing Director, Aged 52, Malaysian

(Non-Independent Executive Director)

Dato' Kong Hon Kong was appointed as Director of NV Multi on 15 May 1995 and he was designated as Managing Director on 1 June 2000. He is the founder of the Group. He was conferred a Doctorate of Philosophy (Honoris Causa) in Business Administration from the University of Honolulu on 21 September 1999. He is also the Chairman of Executive Management Committee and a member of the Nomination Committee of the Company.

He is the driving force behind the Group's development, growth and expansion. His business acumen, foresight and determination has made the Group become the leader in the bereavement care industry in Malaysia.

His other activities in advancing communal interests are as follows:-

- Honorary Advisor of The Federation of Chinese Association Malaysia.
- Honorary Advisor of Young Entrepreneurs' Association of Malaysia.
- Honorary Advisor of The Dramatic Art Society.
- Honorary Advisor of Malaysia Xiamen University Faculty of Chinese Medical College.
- Honorary Advisor of Pertubuhan Confucius Chung De.
- Honorary Advisor of MCA, Lipis Division.
- Honorary President of Young Malaysian Movement.
- Honorary President of Seri Setia Old Folks Home, Sungei Way, Selangor Darul Ehsan.
- Honorary Chairman of The Federation of Chinese Association Malaysia-Nirvana Scholarship Fund Malaysia.
- Advisor of Sin Chew Foundation.
- Advisor of Persekutuan Xiang Qi Malaysia.
- Deputy President of the Federation of Table Tennis Associations of Malaysia.

He also holds directorships in several private companies.

He is the father of Mr. Kong Yew Foong, a Director of the Company.

directors' profile

LEE AH KONG

Executive Director, Aged 60, Malaysian

(Non-Independent Executive Director)

Mr. Lee Ah Kong was appointed as Executive Director of NV Multi on 18 June 2001. He is also a member of the Executive Management Committee of the Company.

He qualified as a barrister from Lincoln's Inn, London in 1968 and practiced as an advocate and solicitors from 1969 to 1997 with vast experience in litigation and conveyance.

From 1985 to 1994, he was a director of Nirvana Memorial Park Sdn Bhd which is the subsidiary of the Company. Prior to his appointment, he was the Group Legal Advisor of the Company since 1996.

He also holds directorships in several private companies.

SOO WEI CHIAN

Executive Director, Aged 37, Malaysian

(Non-Independent Executive Director)

Mr. Soo Wei Chian was appointed as Executive Director of NV Multi on 1 August 2005. He is also the Chairman of Risk Management Committee and a member of Audit and Executive Management Committee of the Company.

He joined NV Multi as Finance Manager in 1995 and was the General Manager, Finance and Corporate Affairs before he left NV Multi in year 2004.

He is a qualified accountant and a member of the Malaysia Institute of Accountants and the fellow member of the Chartered Institute of Management Accountants, United Kingdom. He also holds a Master Degree in Business Administration from the University of Strathclyde, United Kingdom.

He held financial positions in UEM and Berjaya group of companies for the period between 1991 and 1995. Prior to his appointment as Director of NV Multi, he was the Financial Controller of Hwa Tai Industries Berhad and left in July 2005. Currently, he is the Non-Executive Director of Hwa Tai Industries Berhad.

KONG YEW FOONG, JEFF

Executive Director, Aged 28, Malaysian

(Non-Independent Executive Director)

Mr. Kong Yew Foong was appointed as Executive Director of NV Multi on 1 August 2005. He is also a member of the Executive Management Committee of the Company.

He is a qualified accountant and a member of the Certified Practising Accountant (CPA Australia). He is also a graduate of Bachelor of Commerce (majoring in Accounting and Finance) from the University of Melbourne, Australia.

He has 3 years experience in taxation and assurance services, having worked in Deloitte KassimChan Tax Services Sdn Bhd and KPMG.

Prior to his appointment as Director of NV Multi, he was the Personal Assistant to Managing Director since 1 October 2003.

He also holds directorships in several private companies.

He is the son of Dato' Kong Hon Kong, the Managing Director of the Company.

directors'

profile

MOHAMED TAIB BIN MAHMOOD

Director, Aged 60, Malaysian,
(Independent Non-Executive Director)

Encik Mohamed Taib bin Mahmood was appointed as Director of NV Multi on 3 April 2003. He is also a member of Audit, Remuneration and Nomination Committee of the Company.

He obtained his education in Masscom Advance Course, Designing and Staging from Westham College of London in 1972.

From 1977 to 2001, he was a director of a public company and a few private companies which include Ayer Molek Berhad, Amtec Solution Sdn Bhd, Federal Development Organization Sdn Bhd, and SMAS group of companies. Prior to that, he was the Head of Design & Staging in the Ministry of Information Broadcasting for 5 years.

Currently, he also holds a directorship in a private company.

HEW TIEN SHOONG

Director, Aged 41, Malaysian
(Independent Non-Executive Director)

Mr. Hew Tien Shoong was appointed as Director of NV Multi on 15 April 2006.

He is a prominent contractor who has been engaged in the building industry for quite some time. His current projects involve, among other things, the construction and completion of roads, drains and infrastructure works at Westport in Pulau Indah.

Prior to his current undertaking, Mr. Hew was in the seafood business. He imported fresh seafood and supplied the same to wholesalers. Also, he was in the business of food supplier.

As a young and ambitious entrepreneur, Mr. Hew has done fairly well in building up his fortune to be well recognised in the Chinese business community.

Besides business, Mr. Hew is active in the Semenyih Hew Association as committee member.

He also holds a directorship in a private company.

Notes:

1. Save as disclosed above, none of the Directors have:
 - a. any family relationship with any Directors and/or Substantial Shareholders of the Company; and
 - b. any conflict of interest with the Company.
2. None of the Directors have any conviction for offences within the past 10 years.

memo

from the chairman



DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of NV Multi Corporation Berhad, it gives me great pleasure to present you the Annual Report of the Group and the Company for the year ended 31 December 2005.

FINANCIAL PERFORMANCE

The economy remained resilient going into 2005 and the moderated growth came in the wake of high oil prices and rising concerns over inflationary pressures.

Mitigating on the above economic factors, the Group adopted cautious yet dynamic approaches and strategies to increase its sales which thus resulted a better profit performance in 2005.

For the year just ended, the Group had registered a higher turnover of RM125.6 million (2004 : RM109.6 million) and correspondingly higher net profit of RM12.4 million (2004 : RM9.5 million). Consequently, the earnings per share for the current financial year had increased to 3.67 sen compared to 2.77 sen recorded in the previous year.

memo

from the chairman

DIVIDEND

For the financial year ended 31 December 2005, the Company had paid an interim dividend of 12% less 28% income tax on 13 April 2006, which represented 57% of the Group's profit after taxation.

SHARE BUYBACK

The growth in sales together with prudent spending approaches had contributed to a stronger operating cash flow to the Group and this enabled the Company to repurchase 13,187,100 ordinary shares from the open market at an average price of RM0.45 per share at a total consideration of RM6.011 million. The repurchase was carried out with the objectives of enhancing the return on equity and stabilizing market price of the Company's shares traded in the open market.

PROSPECTS

The Malaysian economy grew by 5.3% in 2005 and is expected to perform better in 2006. NV Multi is optimistic that it will continue to perform better in 2006 through its continuous innovative development of its products and services and its dynamic marketing strategies.

NV Multi will continue to retain its leading position as the largest integrated bereavement care operator in Malaysia through its continuous efforts to upgrade and introduce new products and services.

During the financial year, the Group launched yet another innovative product, the NV Family Treasure, a family heritage box which contains a family genealogy record that helps trace and keep track of family roots, an exquisite and comprehensive compendium on the origin of surnames, discount vouchers on future purchase of burial plots and funeral service packages and other heritage items. The sale of the NV Family Treasure is to enable the purchaser to lock in the purchase of a funeral service package at a 40% discount at any point in time to be decided by the purchaser.

In order to enable the Group to progress to greater heights, we will continue our efforts to enhance and develop more innovative products and services, improve the quality of our services, raise our performance standards as well as monitor closely on cost structures and implement measures to improve operational efficiencies.

In line with improving the quality of our services, we are recruiting professionals, be it locally or internationally to train our service team in order to upgrade our bereavement care services.

With the on-going expansion and beautification of our memorial parks, continuous enhancement and development in our products and services, our aggressiveness in pursuing dynamic marketing strategies and tools to improve our performances and prudent spending policies, I am confident that the Group will be able to steer towards a better performance in 2006.

APPRECIATION

On behalf of the Board of Directors, I wish to extend our appreciation and gratitude to Messrs Hong Hock Ming, the Deputy Managing Director and Chua Chong Kee, an Executive Director, who resigned as board members on 1 August 2005 for their invaluable contributions to the Group during their tenure in the Company.

On behalf of the Board of Directors, I would like to extend a warm welcome to Messrs Soo Wei Chian and Kong Yew Foong who joined as Executive Directors on 1 August 2005 and Mr. Hew Tien Shoong as an Independent Non-Executive Director on 15 April 2006. I am confident their experience and expertise will lead the Group to greater heights.

On behalf of the Board and management, I would like to take this opportunity to express our deep appreciation for the unrelenting commitment and contributions of the employees who made the Group what it is today.

To our valued customers, agents, bankers and other business partners, I would like to thank them for their unwavering support and loyalty and look forward to their continued trust and support.

Last but not least, the Board expresses its heartfelt gratitude to you, for your trust and confidence on the Group.

Together, we shall be able to sustain through the inevitable challenges that lie ahead.

corporate governance statement

The Board of Directors of NV Multi Corporation Berhad ("the Group") is committed to ensure highest standard of corporate governance are observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objectives of safeguarding the Group's assets, enhancing shareholders' value and corporate performance of the Group.

BOARD OF DIRECTORS

The Board

The Board has overall responsibility for the strategic direction, control and the activities of the Group. Key matters such as approval of annual and interim results, annual strategic plan, acquisition and disposals, investments and new businesses, material agreements, major capital expenditures, borrowings and corporate restructuring are reserved for the Board's decision. These matters are set out in a formal statement in Board Charter.

Board Balance

For year 2005, the Board had six (6) members, comprising four (4) Executive Directors and two (2) Independent Non-Executive Directors, which is in compliance with paragraph 15.02 of the Bursa Securities' Listing Requirements. The Directors have wide ranging experience as well as skills and knowledge which are vital towards the discharge of the Board's responsibilities for the successful direction and growth of the Group.

During the years, Messrs Hong Hock Ming and Chua Chong Kee have resigned as the Executive Directors, while Messrs Soo Wei Chian and Kong Yew Foong were appointed to the Board as Executive Directors.

Subsequent to year 2005, Mr. Hew Tien Shoong was appointed to the Board as Independent Non-Executive Director on 15 April 2006. From 15 April 2006 onwards, the Board has seven (7) members, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors.

Details of the Directors' academic and professional qualifications and other appointments are set out on pages 10 to 12 of this Annual Report.

All the Non-Executive Directors are independent of Management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

Jen (B) Tan Sri Yaacob bin Mat Zain acts as the senior Independent Non-Executive Director of the Board to whom any concerns may be conveyed.

Board Committees

To facilitate effective management, certain functions have been delegated to various Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Executive Management Committee and Risk Management Committee to assist the Board in managing the Group's businesses. All Committees have their written terms of reference to govern their responsibilities.

corporate governance statement

Board Meetings

The Board meets at least 4 times each year and ad-hoc Board meetings are convened as and when necessary.

The number of Board meetings and Board Committee Meetings held during the year 2005, as well as the attendance of every Board members at the meetings are reflected as follows:-

	Board Meetings	Audit Committee	Nomination Committee	Remuneration Committee
Jen (B) Tan Sri Yaacob Bin Mat Zain	5/5	5/5	3/3	6/6
Dato' Kong Hon Kong	4/5	-	3/3	-
Lee Ah Kong	5/5	-	-	-
Soo Wei Chian ¹	2/2	2/2	-	-
Kong Yew Foong ¹	2/2	-	-	-
Mohamed Taib Bin Mahmood	4/5	5/5	3/3	6/6
Hong Hock Ming ²	3/3	3/3	-	-
Chua Chong Kee ²	3/3	-	-	-

¹ appointed with effect from 1 August 2005

² resigned with effect from 1 August 2005

Supply of information

The Directors have direct access to all information within the Group and to make enquiries whenever deemed necessary in furtherance of their duties. All Directors are supplied with information in a timely manner. Prior to the meetings of the Board, papers which include the agenda and reports relevant to the issues of the meeting covering the areas of strategic, financial, operational and regulatory compliance matters, were circulated to all the Directors. This is to ensure sufficient time is given to the Directors to obtain further explanations, where necessary, before the meetings.

In addition to the Board papers, the Board is notified of any corporate announcements released to the public through Bursa Securities and is also kept informed of the requirements and updates issued by the various regulatory authorities.

The Board has a formal procedure for the Directors, whether as a full board or in their individual capacity in the discharge of their duties and responsibilities, to obtain independent professional advice, when necessary, at the Group's expense.

Every Director has unhindered access to the advice and services of the senior management and Company Secretary.

corporate governance statement

Appointment to the Board

The Nomination Committee is responsible for making any recommendations for any appointments to the Board. In making these recommendations, the Nomination Committee considers the mix of skills and experience which the Directors bring to the Board. The actual decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendation from the Nomination Committee.

Re-Election of Directors

The Company's Articles and Association provides that at least one-third of the Directors, including Managing Director, are subject to retirement by rotation at each annual general meeting. Each retiring Director is eligible for re-election. Directors who are appointed during the year will have to retire and seek re-election at the next annual general meeting to be held following their appointments.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually at annual general meeting pursuant to Section 129(6) of Companies Act, 1965.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme prescribed by the Bursa Securities during the financial year except Mr. Hew Tien Shoong of which his appointment is after the financial year end that is, on 15 April 2006. In addition, Directors will continue to attend Continuing Education Programmes and other training organised by the regulatory and professional bodies to aid them in the discharge of their duties.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee establishes a formal and transparent procedure for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of the Executive Directors. The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration package needed to attract, retain and motivate Directors of the quality required to manage the business of the Group.

The remuneration scheme of Executive Directors is linked to performance, service seniority, experience and scope of responsibilities undertaken by individual Director concerned.

In case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Directors concerned.

corporate governance statement

Details of the Directors' Remuneration

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and subsidiary companies during the financial year ended 31 December 2005 are as follows:-

Total remuneration of Directors categorised into appropriate components:

	Executive Directors*	Non-Executive Directors
	RM	RM
Directors' Fees	125,000	60,000
Salaries	1,116,227	-
Bonuses	216,300	-
Benefit-in kind	66,885	-
Other emoluments/allowances	25,665	10,000
Total	1,550,077	70,000

* The computation of the remuneration of Directors includes remuneration paid to two (2) Executive Directors who had resigned during the year.

The number of Directors of the Company (inclusive of the remuneration paid to two (2) Executive Directors who had resigned during the year) whose total remuneration fall within the following bands for the financial year ended 31 December 2005 are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	1	2
RM50,001 – RM100,000	1	-
RM100,001 – RM200,000	1	-
RM200,001 – RM300,000	2	-
RM300,001 – RM700,000	1	-
Total number of Directors	6	2

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of accountability to its shareholders and investors through proper communication with its shareholders. Information on the Group's business activities and financial performance is disseminated through press releases, press conferences, announcements of quarterly results and the Annual Report.

The Group has established a corporate website at www.nvmc.com.my which shareholders and investors can access for information that includes Group's background, corporate information, products and services and the events updates.

The Company also holds meetings with institutional shareholders and investment communities, with the view to foster greater understanding of the business of the Group.

The key channel used by the Company to dialogue with its shareholders and gather views and response on the questions on all issues relevant to the Group is the Annual General Meeting ("AGM"), the shareholders are encouraged to enquire the resolutions being proposed or about the Group's operations in general.

corporate governance statement

Notice of AGM together with the annual report is sent to the shareholder on a timely basis. Items of special business included in the notice of the meeting are to be accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board took responsibility in conveying a clear, balanced and comprehensive assessment of the Group's position and prospects in presenting the annual and quarterly financial result.

Internal Control

The Internal Control Statement furnished on pages 20 to 21 of this Annual Report provides an overview of the state of internal controls with the Group.

Relationship with external Auditors

The Board maintains a formal and transparent professional relationship with the Group's external Auditors through the Audit Committee which act as an independent channel of communication for external Auditors to convey their views and professional advice.

DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Directors are required by Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable accounting standards and give a true and fair view of the Group's state of affairs.

In preparing the financial statements, the Directors have:-

- > selected appropriate accounting policies and applied them consistently
- > made judgments and estimates which are reasonable and prudent
- > ensured compliance with the applicable accounting standards in Malaysia
- > prepared financial statements on the going concern basis

The Directors have responsibility for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial positions of the Group. In addition, the Directors are responsible in taking reasonable steps to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities.

internal control statement

This Statement of Internal Control by the Board is made pursuant to paragraph 15.27(b) of the Bursa Securities' Listing Requirements with respect to the Group's compliance with the principles and best practices for internal controls as provided in the Malaysian Code of Corporate Governance.

Internal Control

The Board has implemented an internal control system that is designed to identify and manage the risks in meeting the Group's business objectives. The scope of control covers not only financial controls, but also operational and compliance controls as well as risk management. This system is subject to regular review by the Board.

Due to the inherent limitations in any system of internal control, these systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatements or losses.

The key elements of the Group's internal control system are described as follows:-

- > Organisational structure with defined lines of responsibilities, delegation of authorities, segregation of duties and information flow for all aspects of the business.
- > The Board of Directors has established the Limit of Authorities that defines the authorisation limits in approving various transactions for its Group and business operating units. Policies and procedures on such limits are documented to guide staff at all levels in the performance of their duties. These limits are subject to regular review and improvement.

- > Comprehensive budgeting process for all operating units with periodical monitoring of performance so that major variances are followed up and management actions are taken.
- > Annual audit to ensure compliance with all requirements of ISO 9001: 2000. ISO 9001 certification serves as a quality assurance approach where customers are assured of continuous delivery of the highest quality of products and services provided by the Group.
- > Regular Management and business operating units meetings are conducted to review financial performance, business development and deliberate on management and corporate issues.
- > Regular visits by members of the Board and senior management to principal offices and site offices at different locations to review the Group's operations and to gain a better understanding for informed decision making.
- > Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's system of financial, compliance and operational controls.

The Board believes that the development of the system of internal control is an ongoing process and has taken relevant steps to establish a sound Group internal control systems and will continue to do so.

internal

control statement

Risk Management Framework

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This is a continuous process, subject to regular review, evaluating and managing the significant risks by the Risk Management Committee ("RMC"). The role of the RMC, comprising key personnel from all departments, would include periodic reporting of the status of risk mitigation actions, new risks identified and risks that have changed characteristics, and corresponding controls.

On a quarterly basis, a consolidated risk management report summarising the significant risks and/or status of action plans of the respective division are presented to the Audit Committee for review, deliberation and recommendation for endorsement by the Board.

Internal Audit

The Internal Audit Department in the Group carries out its functions independently and provides the Board and Audit Committee with sufficient assurance on the adequacy and integrity of the internal controls system.

On a quarterly basis, the Internal Audit Department, submits audit reports and plans status for review by the Audit Committee. Included in the reports are recommended corrective measures on risk identified for implementation by Management. The internal audit function has been outsourced to an external party, who reports directly to the Audit Committee.

from the audit committee's desk

Chairman of Audit Committee:

Jen (B) Tan Sri Yaacob Bin Mat Zain
(Chairman and Independent Non-Executive Director)

Members:

Soo Wei Chian (Executive Director)
Mohamed Taib Bin Mahmood (Independent Non-Executive Director)

TERMS OF REFERENCE

COMPOSITION

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not fewer than three members of whom a majority shall be Independent Non-Executive Director.

At least one member of the Audit Committee shall be:-

- a member of the Malaysian Institute of Accountants; or
- a person approved under Section 15.10 (1)(c)(ii) of the Bursa Securities' Listing Requirements.

The Committee members shall appoint a Chairman from among themselves who shall be Independent Non-Executive Director.

QUORUM

The quorum for any meeting shall consist of a majority of Independent Non-Executive Directors and shall not less than two.

MEETINGS AND ATTENDANCE

Meetings shall be held at least four (4) times a year. Any one of the Audit Committee members may call a meeting or upon request by the external auditors whenever he deems it necessary.

The Executive Directors, the head of finance, the head of internal audit, and a representative of the external auditors may be invited to attend meetings by the Audit Committee.

The Secretary of the Committee shall circulate the minutes of meetings of the Audit Committee to all members of the Committee and the Board of Directors for information.

The Audit Committee held five (5) meetings during the financial year.

The attendance of the Audit Committee members is as follows:-

Members	Attendance
Jen (B) Tan Sri Yaacob Bin Mat Zain (Chairman)	5/5
Soo Wei Chian (Appointed on 1 August 2005)	2/2
Mohamed Taib Bin Mahmood	5/5
Hong Hock Ming (Resigned on 1 August 2005)	3/3

from the audit committee's desk

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its Terms of Reference and to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise where appropriate.

FUNCTIONS

The duties of the Committee shall be:-

- To consider and review the appointment of the external auditor, audit fees and any question of their resignation or dismissal;
- To discuss with the external auditor before the audit commences with regards to the nature and scope and general extent of the external auditors' audit examination;
- To review the quarterly reports and annual financial statements before submission to the Board, to consider on matters such as:-
 - > any changes in accounting policies;
 - > significant adjustments resulting from the audit;
 - > the going concern assumption;
 - > compliance with the applicable approved accounting standards;
 - > compliance with the Bursa Securities' and legal requirements; and
 - > any related party transactions that may arise.
- To discuss issues and reservations arising from the interim and final audits to keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and management's response;
- To review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure co-ordination between the internal and external auditors;
- To review the assistance given by the Company's officers to the external auditor; and
- To carry out such other functions as may be agreed to by the Audit Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

During the year, the following were the activities of the Committee:-

1. Reviewed the unaudited quarterly financial results of the Group and recommend to the Board for approval and adoption prior to announcement to the Bursa Securities.
2. Reviewed the annual audited financial statements for the financial year ended 31 December 2004 for the Group prior submission to the Board for their consideration and approval.
3. Reviewed the Company's compliance, in particular the quarterly and year end financial statements with the Listing Requirement of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
4. Reviewed the external auditors' scope of work and their audit plan.
5. Reviewed with the external auditors' the internal control recommendations in respect of control weaknesses noted in the course of their audit.
6. Reviewed the Internal Audit Department's plan for the financial year and the annual assessment of the Internal Audit Department's performance.
7. Reviewed the audit reports presented by Internal Audit Department on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.
8. Reviewed the Group's internal financial control.
9. Reviewed and monitored the effectiveness of the Company's Internal Audit functions.
10. Carried out other responsibilities, functions or assignments as agreed by the Committee and the Board of Directors.

business

review

GROUP PERFORMANCE

I am pleased to report that the Group had performed better in 2005 by registering a 15% growth in revenue to RM125.6 million from RM109.6 million recorded in 2004. This is attributed to better sales registered for both burial products and funeral services. Correspondingly, the pre-tax profit registered at RM20.8 million, is 30% higher compared to RM16.0 million recorded in 2004. Earnings per share had improved significantly from 2.77 sen in the year 2004 to 3.67 sen in the current year. The Group continues to be prudently managed with a low net gearing ratio of only 0.13 times in the current year as compared to 0.17 times in the year 2004.

Year 2005 was a year of consolidation in which the Group emphasized on the upgrade and improvement of its current products and services and the strengthening of its manpower infrastructure.

During the year, the Group launched another innovative product, NV Family Treasure, a family heritage box which contains a family genealogy record that helps trace and keep track family roots, an exquisite and comprehensive compendium on the origin of surnames, discount vouchers on future purchase of burial plots and funeral service packages ("FSP") and other heritage items. The objective is to capture future FSP sales with the exercise of the discount voucher by the purchaser or his immediate family.



Dato' Kong Hon Kong | Managing Director

business

review

MEMORIAL PARKS

The sales of the burial products from the memorial parks contributed substantially to the Group's performance. Over the years, the Group has established itself as the largest memorial parks operator with networks across major cities in Malaysia and Jakarta, Indonesia.

In order to reinforce on this standing, the Group has installed two (2) units of cremator located at Nirvana Memorial Park, Kulai, Johor which commenced operation in August 2005 and also completed the construction of a new columbarium which housed 440 units of urn compartments and 200 units of ancestral tablets in Nirvana Memorial Park, Kuching, Sarawak in November 2005.

The Group is currently undertaking various beautification plans on all its existing memorial parks to boast a beautiful landscape with ponds, artistic stone sculptures and to provide a scenic ambience for visitors as well as a peaceful and beautiful resting place for the deceased.

With the growth potential of the Christian market, the Group is currently implementing various plans and strategies to enhance and beautify the Christian Memorial Garden in Semenyih. Such plans include the construction of a chapel, erection of sculptures reflecting Christian beliefs that blends with the outstanding landscaping creating a serene and natural ambience.



business

review

Such plans will be expanded to other states by stages if market demand sustains this expansion.

FUNERAL SERVICES

Bereavement care services is the Group's other principal business which is supported by a team of long service and experienced service personnel, an array of luxury hearses and limousines, a fully air-conditioned 5-star modern memorial centre in Kuala Lumpur, a modern funeral complex in Johor Bahru and other comprehensive supporting set-up to cater to the needs of our customers.

To stay in competition against our competitors, the Group had currently embarked on the mission to upgrade the quality of our bereavement care services to our customers. This is done by recruiting trained and qualified professionals, be it locally or internationally, as trainers and as part of our team of service personnel. In addition, steps are being undertaken to improve other supporting set-up to cater to the upgraded needs of urban living. We had during the financial year, purchased 3 units of Toyota Estima as addition to our fleet of hearse vehicles and 3 units of Toyota Innova as passenger vehicles.

The Group will continue to focus in strengthening its market position of the bereavement care industry through innovative marketing strategies, products improvement and providing quality services to its valuable customers with an aim to capture a wider market share.

CORPORATE DEVELOPMENT

We are pleased to report that Rating Agency Malaysia has reaffirmed our Commercial Papers/Medium Term Notes Programme with a long term rating of AA1 and a short term rating of P1 for the second year.

With the aim to provide future expansion of business to the Group, the following arrangements were entered by the Group:-

- (a) The Company entered into a Sales and Purchase Agreement on 15 February 2006 to acquire 20% equity interest in Life Care Diagnostic Sdn Bhd (673106-V) ("LifeCare"), a company incorporated in Malaysia, which is principally involved in the business of operating health and wellness centre and provision of healthcare services; and
- (b) On 5 April 2006 the Company entered into a Memorandum of Understanding with third parties to subscribe for a 40% share in a joint venture company to be established to jointly develop and operate a memorial park in Vietnam.

The acquisition of 20% equity in Lifecare will enable the Group to synergistically tie in the health and wellness care to our products, thereby bringing greater business opportunities to our products and services.

There is great potential in bereavement care business in Vietnam as currently there is no private memorial park player in the country. With our entrance in this market, it will bring great business opportunities to the Group.

CORPORATE AND SOCIAL CULTURE

The Group wishes to fulfil its corporate social responsibility on helping to improve the conditions of society, the environment as well as the uprooting of cultural belief and responsibility. As part of our commitment as a responsible corporate citizen, a number of charity based activities were organised.

Our staffs and our agents visited the Ti-Ratana Welfare Society located in Kuala Lumpur and the Sri Kembangan Old Folks Home in Serdang to bring cheer, food and monetary donations to these less fortunate citizens.

During the year, other ongoing donations were made to various worthy causes, welfare organisations, schools and sports activities.

The Group will continue to play this role actively as it is in the midst of setting up a foundation that will be the forefront of the Group's charitable endeavours in lending a helping hand to various worthy causes.

On the social culture aspect, the Group has embarked on various activities to promote various religious prayer activities such as Wesak Blessing, Expounding Buddhist Darma - Spiritual Bouquet, Dong Zhi Celebration and Namo Amitabha Eradication, Blessing & Bardo Deliverance fire praying ceremony, all of which were held at our Nirvana Memorial Park in Semenyih.

business

review

The tradition of caring has been widely advocated by the Group over the years and to continue in the sharing of this noble act with our valued customers, we have recently conducted a road show at all our branches including Jakarta, Indonesia to cultivate "Filial Piety".

HUMAN RESOURCES DEVELOPMENT

In order for the Group to maintain its position as market leader in the bereavement care industry, the retention of key staff, the development of its staff and the building of a high performance culture will remain a key priority to the Group. To cater for this, the Group has conducted various morning breakfast talks, staff meetings and activities with the aim of uplifting the employees' sense of belonging and fostering positive working culture for better performance. The Group will continue to embark on extensive training programmes involving operational training, team building, customer care workshops and relevant training with the aim of developing employees' skills for potential succession in the future.

FUTURE PROSPECTS

In tandem with the promising economic outlook, the Group is optimistic of achieving higher growth from the continuous efforts to implement relevant marketing strategies and plans coupled with effective procurement, and enhancing cost efficiencies whilst seizing opportunities to build a stronger and larger business platform.

Given the management experience and expertise in the bereavement care industry and established strategic partnerships, the Group expects to remain resilient as it sets sights to expand its business regionally and eventually to achieve long term goal of being a global player in this industry.



calender of events

		7
1	4	8
2	5	9
3	6	10



No	Date	Events / Functions	Venue
1	29 Jan 05	Tradition of Caring – Old Folks & Orphanage Home Visits	Ti-Ratana Welfare Society, Kuala Lumpur
2	27 Feb 05	NV Prosperity Day	Nirvana Memorial Park, Semenyih
3	07 Mar 05	NV Star Award Presentation & NV Annual Dinner 2005	Sunway Lagoon Resort Hotel
4	14 Mar 05	White Ladies Press Conference	Wisma NV Multi
5	17 Apr 05	Senior Citizen & Tele-Match activity	Nirvana Memorial Park, Semenyih
6	28 Jun 05	Annual General Meeting	Wisma NV Multi
7	28 Jul 05	NV Family Treasure Launching Dinner	Sunway Lagoon Resort Hotel
8	23 Sept 05	Appreciation Feast & Mid-Autumn Festival Celebration	Wisma NV Multi
9	Oct-Dec 05	Staff Monthly Breakfast Meeting	Wisma NV Multi
10	20 Dec 05	Staff Christmas Gathering	Wisma NV Multi

financial statements

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directors' report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended December 31, 2005.

principal activities

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 13.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

financial results

	The Group RM'000	The Company RM'000
Profit before tax	20,823	24,551
Income tax expense	(7,931)	(6,705)
Profit after tax	12,892	17,846
Minority interests	(455)	–
Net profit attributable to shareholders	12,437	17,846

dividends

Dividends paid and declared by the Company were as follows:

	RM'000
In respect of the financial year ended December 31, 2004:	
An interim dividend of 8% less 28% tax was paid on April 18, 2005	4,926
In respect of the financial year ended December 31, 2005:	
An interim dividend of 12% less 28% tax was paid on April 13, 2006	7,104
	12,030

The Directors do not recommend the payment of any final dividend in respect of the financial year ended December 31, 2005.

reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

directors' report

issue of shares and debentures

The Company has not issued any new shares or debentures during the financial year.

share options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

other statutory information

Before the Income Statements and Balance Sheets of the Group and the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and adequate allowances have been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors of the Company are not aware of any circumstances:-

- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

directors' report

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year ended December 31, 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

events subsequent to balance sheet date

Events subsequent to the balance sheet date are disclosed in Note 34 to the Financial Statements.

directors

The following Directors served on the Board of the Company since the date of the last report:

Jen (B) Tan Sri Yaacob bin Mat Zain
Dato' Kong Hon Kong
Lee Ah Kong
Soo Wei Chian (appointed on 01.08.2005)
Kong Yew Foong (appointed on 01.08.2005)
Mohamed Taib bin Mahmood
Hew Tien Shoong (appointed on 15.04.2006)
Hong Hock Ming (resigned on 01.08.2005)
Chua Chong Kee (resigned on 01.08.2005)

In accordance with Article 78 of the Company's Articles of Association, Dato' Kong Hon Kong retires at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-election.

Messrs Soo Wei Chian, Kong Yew Foong and Hew Tien Shoong who were appointed to the Board after the last Annual General Meeting, retire under Article 85 of the Company's Articles of Association, and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Jen (B) Tan Sri Yaacob bin Mat Zain, who is over the age of 70 years, retires in accordance with Section 129 of the Companies Act, 1965. The Board recommends that Jen (B) Tan Sri Yaacob bin Mat Zain be re-appointed as Director of the Company pursuant to Section 129 of the Companies Act, 1965 and, to hold office until the conclusion of the next Annual General Meeting.

directors' benefits

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than the benefit included in the aggregate of emoluments received or due and receivable by the Director as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

directors' report

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

directors' interests

According to the Register of Directors' shareholdings maintained by the Company under Section 134 of the Companies Act, 1965, the interests of Directors who were in office at the end of the financial year in the shares of the Company are as follows:

	Number of ordinary shares of RM0.25 each			
	As at 1.1.05/ Date of Appointment	Bought	Sold	As at 31.12.05
Dato' Kong Hon Kong				
– Direct	2,507,400	–	–	2,507,400
– Indirect	59,392,536	30,000,000	–	89,392,536
Lee Ah Kong	554,000	–	259,100	294,900
Soo Wei Chian	60,008	–	–	60,008

By virtue of their interest in the shares of the Company, the abovementioned Directors are deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during the financial year.

auditors

The auditors, Messrs Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution
of the Directors:

DATO' KONG HON KONG
Director

SOO WEI CHIAN
Director

Kuala Lumpur
April 24, 2006

report of the auditors

to the shareholders of NV Multi Corporation Berhad

We have audited the accompanying balance sheets as of December 31, 2005 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and the Company as of December 31, 2005 and of the results and the cash flows of the Group and the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned under Note 13 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN

AF 0080

Chartered Accountants

HIEW KIM TIAM

1717/08/07 (J)

Partner

April 24, 2006

income statements

for the year ended december 31, 2005

	Note	The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	4	125,574	109,563	32,805	32,734
Cost of sales		(43,180)	(40,148)	-	-
Gross Profit		82,394	69,415	32,805	32,734
Other operating income		5,067	5,170	2,442	2,075
Selling and distribution expenses		(33,963)	(28,245)	-	-
Administrative and other operating expenses		(30,331)	(28,194)	(8,794)	(7,631)
Profit from operations	7	23,167	18,146	26,453	27,178
Finance costs	8	(2,673)	(2,233)	(2,003)	(1,845)
Share of loss of an associated company		-	(20)	-	-
Income from other investments	9	329	120	101	-
Profit before tax		20,823	16,013	24,551	25,333
Income tax expense	10	(7,931)	(6,464)	(6,705)	(8,013)
Profit after tax		12,892	9,549	17,846	17,320
Minority interests		(455)	(70)	-	-
Net profit for the year		12,437	9,479	17,846	17,320
Earnings per ordinary share of RM0.25 each					
Basic (sen)	11	3.67	2.77		

The accompanying Notes form an integral part of the Financial Statements.

balance sheets

as of December 31, 2005

	Note	The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Property, plant and equipment	12	47,990	46,614	474	127
Land held for development		1,020	1,020	-	-
Investments in subsidiary companies	13	-	-	60,480	55,505
Other investments	14	228	228	228	228
Deferred acquisition cost		15,634	11,691	-	-
Trade receivables	15	11,223	13,134	-	-
Pre-need funeral contract receivables - non-current portion	16	23,300	22,551	-	-
Amount owing by subsidiary companies	17	-	-	4,498	4,499
Deferred tax assets	18	11,572	11,342	-	-
Goodwill arising on consolidation	19	6,744	7,783	-	-
Current Assets					
Inventories and development expenditure	20	160,219	138,389	-	-
Trade and other receivables	15	53,694	59,336	441	857
Pre-need funeral contract receivables	16	5,079	11,055	-	-
Amount owing by subsidiary companies	17	-	-	113,099	116,445
Cash and bank balances	21	24,774	16,896	6,358	763
		243,766	225,676	119,898	118,065
Current Liabilities					
Trade and other payables	22	65,869	53,288	1,355	1,116
Amount owing to subsidiary companies	17	-	-	156	150
Hire-purchase and lease payables	23	637	463	-	-
Borrowings	24	7,559	6,885	-	-
Dividend payable		-	4,926	-	4,926
Tax liabilities		4,152	2,424	-	-
		78,217	67,986	1,511	6,192
Net Current Assets		165,549	157,690	118,387	111,873
Long-term and Deferred Liabilities					
Hire-purchase and lease payables - non-current portion	23	1,588	632	-	-
Medium Term Notes	25	35,000	35,000	35,000	35,000
Deferred pre-need funeral contract revenue	26	83,500	79,417	-	-
Deferred tax liabilities	18	2,510	3,033	-	-
		122,598	118,082	35,000	35,000
Minority interests		4,527	4,200	-	-
Net Assets		156,135	149,771	149,067	137,232
Represented by:					
Issued capital	27	85,523	85,523	85,523	85,523
Reserves	28	70,612	64,248	63,544	51,709
Shareholders' Equity		156,135	149,771	149,067	137,232

The accompanying Notes form an integral part of the Financial Statements.

statements of changes in equity

for the year ended December 31, 2005

The Group	← Non-distributable Reserves →					Distributable	Treasury Shares	Shareholders' Equity	Total
	Issued Capital	Share Premium	Revaluation Reserve	Currency Translation Reserve	Capital Redemption Reserve	Reserve Unappropriated Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of January 1, 2004	70,000	21,603	10,601	(121)	-	54,216	(7,257)	149,042	
Net profit for the year	-	-	-	-	-	9,479	-	9,479	
Currency translation differences	-	-	-	121	-	(250)	-	(129)	
Dividends (Note 29)	-	-	-	-	-	(8,621)	-	(8,621)	
Cancellation of treasury shares (Note 27)	(1,582)	(7,257)	-	-	1,582	-	7,257	-	
Issue of shares: Bonus issue (Note 27)	17,105	(14,346)	(2,759)	-	-	-	-	-	
Balance as of December 31, 2004	85,523	-	7,842	-	1,582	54,824	-	149,771	
Net profit for the year	-	-	-	-	-	12,437	-	12,437	
Currency translation differences	-	-	-	119	-	(181)	-	(62)	
Share Buy-Back (Note 28)	-	-	-	-	-	-	(6,011)	(6,011)	
Balance as of December 31, 2005	85,523	-	7,842	119	1,582	67,080	(6,011)	156,135	

The accompanying Notes form an integral part of the Financial Statements.

statements of changes in equity

for the year ended December 31, 2005

The Company	← Non-distributable Reserves →				Distributable	Treasury Shares	Total Shareholders' Equity
	Issued Capital	Share Premium	Revaluation Reserve	Capital Redemption Reserve	Reserve Unappropriated Profit		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of January 1, 2004	70,000	21,603	7,590	–	36,597	(7,257)	128,533
Net profit for the year	–	–	–	–	17,320	–	17,320
Realisation of revaluation surplus on disposal of associated company	–	–	(62)	–	62	–	–
Dividends (Note 29)	–	–	–	–	(8,621)	–	(8,621)
Cancellation of treasury shares (Note 27)	(1,582)	(7,257)	–	1,582	–	7,257	–
Issue of shares: Bonus issue (Note 27)	17,105	(14,346)	(2,759)	–	–	–	–
Balance as of December 31, 2004	85,523	–	4,769	1,582	45,358	–	137,232
Net profit for the year	–	–	–	–	17,846	–	17,846
Share Buy-Back (Note 28)	–	–	–	–	–	(6,011)	(6,011)
Balance as of December 31, 2005	85,523	–	4,769	1,582	63,204	(6,011)	149,067

The accompanying Notes form an integral part of the Financial Statements.

consolidated cash flow statement

for the year ended December 31, 2005

The Group	Note	2005 RM'000	2004 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit before tax		20,823	16,013
Adjustments for:			
Depreciation of property, plant and equipment		4,243	3,792
Finance costs		2,673	2,233
Amortisation of goodwill		1,039	1,034
Bad debt written off		184	–
Property, plant and equipment written off		164	3
Loss on disposal of property, plant and equipment		29	19
Share of loss of an associated company		–	20
Allowance for doubtful debts		–	15
Gain on disposal of an associated company		–	(4)
Interest income		(906)	(2,729)
Operating Profit Before Working Capital Changes		28,249	20,396
(Increase)/Decrease in:			
Inventories and development expenditure		(21,831)	(20,060)
Trade and other receivables		7,708	13,058
Increase/(Decrease) in:			
Trade and other payables		16,666	1,344
Cash Generated From Operations		30,792	14,738
Interest received		906	2,729
Interest paid		(2,673)	(2,233)
Income tax paid – net		(6,002)	(7,708)
Net Cash From Operating Activities		23,023	7,526
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		443	166
Withdrawal of fixed deposits pledged		56	141
Proceeds from disposal of an associated company		–	141
Additions to property, plant and equipment		(4,347)	(8,514)
Net Cash Used In Investing Activities		(3,848)	(8,066)

consolidated cash flow statement

for the year ended December 31, 2005

The Group	Note	2005 RM'000	2004 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Share Buy-Back		(6,011)	–
Dividend paid		(4,926)	(7,390)
Repayment of hire-purchase and lease payables		(876)	(585)
Repayment of borrowings		–	(25,332)
Proceeds from borrowings		753	–
Proceeds from issuance of medium term notes		–	35,000
Proceeds from issuance of commercial papers		–	5,000
Net Cash (Used In)/From Financing Activities		(11,060)	6,693
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,115	6,153
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		16,840	10,892
Effect of exchange differences		(181)	(205)
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	24,774	16,840

Note: During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of RM6,354,170 (2004: RM8,896,000) of which RM2,006,500 (2004: RM382,000) was acquired under hire-purchase and lease arrangements. Cash payments for the acquisition of property, plant and equipment amounted to RM4,347,670 (2004: RM8,514,000).

consolidated cash flow statement

for the year ended December 31, 2005

The Company	Note	2005 RM'000	2004 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit before tax		24,551	25,333
Adjustments for:			
Finance costs		2,003	1,845
Depreciation of property, plant and equipment		123	43
Gain on disposal of an associated company		-	(49)
Interest income		(2,446)	(2,105)
Dividend income		(23,122)	(24,020)
Operating Profit Before Working Capital Changes		1,109	1,047
(Increase)/Decrease in:			
Trade and other receivables		(124)	66
Increase/(Decrease) in:			
Trade and other payables		239	749
Borrowings		-	(9,000)
Cash From/(Used In) Operations		1,224	(7,138)
Interest received		2,446	2,105
Interest paid		(2,003)	(1,845)
Income tax refund/(paid) – net		309	(625)
Net Cash From/(Used In) Operating Activities		1,976	(7,503)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Dividend received		16,648	17,295
Repayment from/(Advances to) subsidiary companies		3,353	(27,999)
Proceeds from disposal of an associated company		-	141
Additions to property, plant and equipment		(470)	(167)
Additional investment in a subsidiary company		(4,975)	-
Net Cash From/(Used In) Investing Activities		14,556	(10,730)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Share Buy-Back		(6,011)	-
Dividend paid		(4,926)	(7,390)
Proceeds from issuance of medium term notes		-	35,000
Proceeds from issuance of commercial papers		-	5,000
Repayment of term loan		-	(8,724)
Repayment of commercial papers		-	(5,000)
Net Cash (Used In)/From Financing Activities		(10,937)	18,886
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,595	653
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		763	110
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	6,358	763

The accompanying Notes form an integral part of the Financial Statements.

notes to the financial statements

1. general information

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 13.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The total number of employees of the Group and of the Company at year end was 341 and 76 (2004 : 349 and 73) respectively.

The financial statements of the Group and the Company are expressed in Ringgit Malaysia.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and the Company were authorised for issue by the Directors in accordance with a resolution of the Directors dated April 24, 2006.

2. basis of preparation of the financial statements

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standard Board ("MASB") approved accounting standards in Malaysia.

3. significant accounting policies

(a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of investments in certain subsidiary companies.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to December 31, 2005. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

A subsidiary company is excluded from consolidation when either control is intended to be temporary if the subsidiary company is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiary companies excluded on these grounds are accounted for as investment.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

notes to the financial statements

3. significant accounting policies (cont'd.)

(b) Basis of Consolidation (cont'd.)

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflected external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the subsidiary company.

(c) Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary company at the date of acquisition.

Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Goodwill is amortised on a straight-line basis over a period ranging from 1 to 10 years.

(d) Investments

Investments in subsidiary companies are stated in the Company's financial statements at revalued amount less impairment losses. Directors' valuation recognised the value of the underlying net assets based on latest audited financial statements of the subsidiary companies. Where market conditions indicate that the carrying values of revalued investments materially differ from the value of the underlying net tangible assets of the subsidiary companies, the Directors will consider revaluation.

An increase in the carrying amount arising from revaluation of subsidiary company is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same investment and the balance of the deficit is charged to the income statements.

In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same investment that was recognised as an expense, is credited to the income statement to the extent that it offsets the previously recorded decrease.

Investments in other investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such decline is recognised as an expense in the period in which the decline is identified.

(e) Deferred Acquisition Cost

The costs of acquiring contracts for pre-need funeral and construction of tomb are deferred until the revenue is recognised.

notes to the financial statements

3. significant accounting policies (cont'd.)

(f) Pre-need Funeral Contract Receivables and Revenue

Revenue from pre-need sales of funeral contract is deferred until the period in which the funeral is performed and the products and services are delivered. On the balance sheet, the full contract amount is included in deferred pre-need funeral contract revenue (liability). The corresponding receivable due from the customer is reflected as pre-need funeral contract receivables, and the corresponding cash received from the customer is reflected part in pre-need funeral contract receivables (for the portion placed in trust, for the purpose of defraying the future cost of delivering the funeral products and services, as determined by an independent actuarial consultant) and part in cash (for the portion the Group retains).

The costs to acquire the sales, primarily commissions incurred are reflected on the balance sheet as deferred acquisition cost (assets) and are charged to expense as the funeral services are performed and products are delivered. Indirect costs of marketing pre-need funeral contract revenue are expensed in the period in which they are incurred.

As the customer makes payments on the pre-need funeral contract, the portion of pre-need funeral contract receivables representing the receivable due from the customer declines, and the portion representing the receivable from the trust increases. Realised and unrealised earnings on the amounts held in trust represent a debit to pre-need funeral contract receivables and a credit to deferred pre-need funeral contract revenue and are not recognised as revenue until delivery of the products and service.

When the funeral product and service is delivered, the Group recognises as revenue the full contract amount plus finance charges and all trust earnings associated with that contract, with a corresponding reduction recorded to deferred pre-need funeral contract revenue. The Group debits cash with the amount removed from trust that is attributable to the contract (consisting of the customer's payments and related realised earnings, all of which is withdrawn at that time) and records a corresponding reduction in pre-need funeral contract receivables. Associated deferred acquisition costs are expensed, and the actual expenses incurred in delivering the products and services are recognised.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Long and short leasehold land are amortised over the term of the leases.

Depreciation of the property, plant and equipment other than freehold land which is not depreciated, is calculated to write off the cost of property, plant and equipment to their estimated residual values on a straight line basis over the estimated useful lives as follows:

Long leasehold land and building	80 years
Short leasehold land and building	20 to 49 years
Furniture and fittings	5 to 10 years
Office equipment, computer systems and equipment	2 to 10 years
Motor vehicles	5 to 10 years
Plant and machinery	5 to 10 years
Office renovation	5 to 10 years

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised as a gain or loss in the income statements.

notes to the financial statements

3. significant accounting policies (cont'd.)

(h) Land Held for Development

Land held for development is classified as non-current asset where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. The land held for development is stated at cost less any accumulated impairment losses.

(i) Sinking Fund

A sinking fund is established for the purpose of defraying the future cost of pre-need funeral contracts of the Group. The amount to be set aside out of collections to meet these future costs is determined by an independent Actuarial Consultant.

The monies in the fund are managed by a trustee. The amount to be paid to the trustee is included under sinking fund reserve in the financial statements.

(j) Valuation of Inventories and Development Expenditure

(i) Inventories are valued at lower of cost and net realisable value. In general, cost is determined on a first-in, first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation and where appropriate, the cost of conversion from their existing state to a finished condition.

(ii) Land held for interment purposes are valued at the lower of cost and net realisable value. Land costs consist of cost of the land plus incidental expenses incurred in bringing the land to the present condition.

(iii) Development expenditure is stated at cost and consists of all direct construction costs and appropriate development overheads.

(k) Allowance for Trade and Other Receivables

Bad debts are written off when identified. A specific allowance is made for any debt considered to be doubtful of collection based on a review of all outstanding amounts as of the balance sheet date.

(l) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the cash flow statements. Cash and cash equivalents consist of cash on hand and at bank, deposits with licensed financial institutions, bank overdraft and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts, if any.

(m) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present legal and constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

notes to the financial statements

3. significant accounting policies (cont'd.)

(n) Leased and Hire-Purchase Assets

The cost of the property, plant and equipment acquired under finance lease and hire-purchase arrangements which in substance transfer the risk and benefits of ownership of the property, plant and equipment to the Group are capitalised.

Property, plant and equipment are recorded at the lower of the minimum lease and hire-purchase payments or the fair value of the lease and hire-purchase assets at the beginning of the respective lease and hire-purchase terms less accumulated depreciation. Property, plant and equipment acquired under such arrangement are depreciated over the useful lives of equivalent owned assets.

Outstanding obligations due under finance lease and hire-purchase arrangements after deducting finance expenses are included as liabilities in the financial statement. Finance charges on finance lease and hire-purchase are allocated to income statements so as to give a constant periodic rate of interest on the outstanding liability at the end of the financial year.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to income statements on a straight line basis over the lease term.

(o) Share Buy-Back

When shares are repurchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity.

When shares are repurchased and cancelled, the nominal value of the shares repurchased is cancelled by a debit to share capital and an equivalent amount is transferred to capital redemption reserve. The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted to share premium or any other suitable reserve.

(p) Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the "liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

notes to the financial statements

3. significant accounting policies (cont'd.)

(q) Revenue Recognition

Revenue from bereavement care is recognised on the following bases:

- (i) Sales of burial and urn compartments are recognised on accrual basis, provided the contract was signed with the customer, a significant deposit of the invoice value is received, and the product is ready for delivery to the buyer;
- (ii) Sales of funeral packages is recognised when the funeral is performed and the products and services are delivered as described in Note 3 (f); and
- (iii) Sales of goods are recognised when the risks and rewards of ownership have passed to the customers. Sales represent gross invoiced value of goods sold less discounts.

Management fees represent gross billings to subsidiary companies for management services rendered and is recognised on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in the income statements as it accrues, taking into account the effective yield on the asset.

(r) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximately those ruling at that date. Foreign exchange differences arising on translation are dealt with in the income statements.

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered to be an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Ringgit Malaysia at exchange rates ruling at balance sheet date. Foreign exchange differences arising on translation are taken to currency translation reserve under shareholders' equity. Translation losses in excess of amounts in the currency translation reserve, if any, are taken up in the income statements.

For the purposes of consolidation, the financial statements of subsidiary companies expressed in foreign currencies are translated into Ringgit Malaysia as follows:

Assets and liabilities	– at closing rates
Issued capital	– at historical rate
Revenue and expenses	– at average rate

notes to the financial statements

3. significant accounting policies (cont'd.)

(r) Foreign Currencies (cont'd.)

(ii) Financial statements of foreign operations (cont'd.)

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	2005 RM	2004 RM
1 US Dollar	3.7795	3.8000
1 Hong Kong Dollar	0.4874	0.4891
100 Indonesian Rupiah	0.0383	0.0410

(s) Employee Benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued for in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

The Group makes statutory contributions to approved provident funds and is charged to the income statements in the period to which it relates. Once the contributions have been paid, the Group has no further payment obligations. The post-employment benefit schemes are in accordance with the local conditions and practices in which it operates and are defined contribution retirement plans.

(t) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets (other than inventories, assets arising from construction contracts, deferred tax assets and financial assets which are dealt with in their respective policies), to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use.

An impairment loss is recognised as an expense in the income statements immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. A reversal is recognised in the income statements, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

An impairment loss in respect of goodwill is not reversed unless the loss is caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event. In respect of other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

notes to the financial statements

3. significant accounting policies (cont'd.)

(u) Financial Instruments

- (i) Financial instruments are recognised in the balance sheet when the Group has become party to the contractual provisions of the instrument.
- (ii) Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.
- (iii) Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instruments classified as liability are reported as expense or income. Distribution to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and Company has a legally enforceable right to set off the recognised amount and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. revenue

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bereavement care	125,574	109,563	-	-
Management fees from subsidiary companies	-	-	9,683	8,714
Dividend income from subsidiary companies	-	-	23,122	24,020
	125,574	109,563	32,805	32,734

5. operating costs applicable to revenue

The operating costs classified by nature, applicable to revenue, are as follows:

	Note	The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Directors' remuneration	6	2,018	1,350	1,637	1,155
Staff costs		13,119	12,606	3,975	3,453
Depreciation of property, plant and equipment	12	4,243	3,792	123	43
Amortisation of goodwill on consolidation	19	1,039	1,034	-	-

Staff costs include salaries, wages, bonuses, contributions to Employees Provident Fund and all other staff related costs. Contributions made by the Group and the Company to the Employees Provident Fund during the current year amounted to RM1,324,671 and RM381,638 (2004 : RM1,290,347 and RM379,278) respectively.

notes to the financial statements

6. directors' remuneration

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fees:				
Current year	190	135	60	60
Overprovision in prior year	-	(77)	-	-
	190	58	60	60
Employees Provident				
Fund contributions	234	150	207	129
Other emoluments	1,594	1,142	1,370	966
	2,018	1,350	1,637	1,155

The estimated monetary value of benefits-in-kind received and receivable by the Directors from the Group and the Company amounted to RM66,885 (2004: RM76,519) and RM66,885 (2004 : RM76,519) respectively.

7. profit from operations

Profit from operations have been arrived at after charging/(crediting):

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bad debt written off	184	-	-	-
Auditors' remuneration	142	127	13	13
Rental of:				
Land	11	10	-	-
Equipment	13	8	-	-
Rental of premises payable to:				
Subsidiary company	-	-	722	72
Others	903	1,211	255	438
Loss on disposal of property, plant and equipment - net	29	19	-	-
Allowance for doubtful debts	-	15	-	-
Property, plant and equipment written off	164	3	-	-
Rental income	(178)	(54)	(84)	-
Interest income from:				
Subsidiary companies	-	-	(2,345)	(2,105)
Customers	(479)	(2,532)	-	-
Others	(98)	(77)	-	-
Gain on disposal of an associated company	-	(4)	-	(49)

notes to the financial statements

8. finance costs

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest on:				
Medium term notes	2,003	1,496	2,003	1,496
Commercial papers	-	47	-	47
Term loan	-	53	-	53
Revolving credit	543	396	-	249
Bank overdraft	2	88	-	-
Hire-purchase	125	153	-	-
	2,673	2,233	2,003	1,845

9. income from other investments

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest income from short-term deposits	329	120	101	-

10. income tax expense

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Estimated tax payable:				
Malaysian:				
Current year	7,707	7,413	7,014	7,705
Under/(Over)provision in prior year	976	652	(309)	308
Foreign:				
Current year	1	-	-	-
	8,684	8,065	6,705	8,013
Deferred tax (Note 18):				
Current year	(1,140)	(958)	-	-
Under/(Over)provision in prior year	387	(643)	-	-
	(753)	(1,601)	-	-
	7,931	6,464	6,705	8,013

Malaysian income tax is calculated at the statutory tax rate of 28% of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdiction.

notes to the financial statements

10. income tax expense (cont'd.)

A numerical reconciliation of tax expense at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit before tax	20,823	16,013	24,551	25,333
Tax at applicable statutory tax rate of 20% on first RM500,000 of chargeable income and 28% on the remaining chargeable income	5,748	4,457	6,874	7,093
Tax effects of:				
Income that are not taxable in determining taxable profit	-	(36)	-	-
Expenses that are not deductible in determining taxable profit	820	2,034	140	612
Under/(Over)provision in prior years	1,363	9	(309)	308
Tax expense for the year	7,931	6,464	6,705	8,013

As of December 31, 2005, certain subsidiary companies have tax exempt income amounting to approximately RM1,824,000 arising from chargeable income on which income tax has been waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. These tax exempt income accounts which, subject to approval by the tax authorities, are available for the distribution of tax exempt dividends to the shareholders of the subsidiary companies without attracting any further tax liabilities.

11. earnings per ordinary share

The basic earnings per share is calculated by dividing the consolidated net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

Basic

	The Group	
	2005 RM'000	2004 RM'000
Net profit attributable to ordinary shareholders	12,437	9,479

notes to the financial statements

11. earnings per ordinary share (cont'd.)

	2005 Units '000	2004 Units '000
Number of shares in issue as of January 1	342,090	68,418
Effect of bonus issue	-	17,104
Effect of subdivision	-	256,568
Effect of Share Buy-Back	(2,868)	-
Weighted average number of ordinary shares in issue	339,222	342,090
	2005 RM	2004 RM
Basic earnings per share (sen)	3.67	2.77

12. property, plant and equipment

The Group	At beginning of year RM'000	Currency translation differences RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifications RM'000	At end of year RM'000
Long leasehold land and building	3,052	(87)	-	-	-	2,965
Short leasehold land and building	30,259	-	1,987	-	-	32,246
Plant and machinery	751	-	124	(1)	-	874
Plant and machinery under lease	-	-	550	-	-	550
Furniture and fittings	4,439	(1)	729	(175)	-	4,992
Office equipment, computer systems and equipment	8,916	(15)	921	(115)	-	9,707
Cabin	48	(1)	-	-	-	47
Office renovation	3,744	-	94	(82)	-	3,756
Motor vehicles	8,007	(16)	22	(690)	2,085	9,408
Motor vehicles under hire-purchase	3,965	-	1,927	(236)	(2,085)	3,571
Total	63,181	(120)	6,354	(1,299)	-	68,116

notes to the financial statements

12. property, plant and equipment (cont'd.)

The Group

Accumulated Depreciation	At	Currency	Charge	Disposals/ Written off	Reclassi- fications	At end of year	Net Book		Depreciation
	beginning of year	translation differences	for the year				Value	charge for	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2005	2004	2004
							RM'000	RM'000	RM'000
Long leasehold land and building	86	(9)	103	-	-	180	2,785	2,966	12
Short leasehold land and building	634	-	712	-	-	1,346	30,900	29,625	413
Plant and machinery	484	-	85	(1)	-	568	306	267	87
Plant and machinery under lease	-	-	27	-	-	27	523	-	-
Furniture and fittings	1,523	-	515	(55)	-	1,983	3,009	2,916	410
Office equipment, computer systems and equipment	4,851	(5)	1,117	(32)	-	5,931	3,776	4,065	1,003
Cabin	15	-	6	-	-	21	26	33	9
Office renovation	1,931	-	351	(27)	-	2,255	1,501	1,813	404
Motor vehicles	4,870	(7)	883	(548)	1,608	6,806	2,602	3,137	974
Motor vehicles under hire-purchase	2,173	-	444	-	(1,608)	1,009	2,562	1,792	480
Total	16,567	(21)	4,243	(663)	-	20,126	47,990	46,614	3,792

The Company

Cost	At beginning of year RM'000	Additions RM'000	At end of year RM'000
Office equipment, computer systems and equipment	307	466	773
Motor vehicles	5	4	9
Total	312	470	782

notes to the financial statements

12. property, plant and equipment (cont'd.)

Accumulated Depreciation	At beginning of year RM'000	Charge for the year RM'000	At end of year RM'000
Office equipment, computer systems and equipment	180	122	302
Motor vehicles	5	1	6
Total	185	123	308

Net Book Value	2005 RM'000	2004 RM'000	Depreciation charge for 2004 RM'000
Office equipment, computer systems and equipment	471	127	42
Motor vehicles	3	-	1
Total	474	127	43

Also included in property, plant and equipment of the Group and the Company are fully depreciated plant, machinery and equipment which are still in use, with a cost of approximately RM7,708,609 and RM147,684 (2004: RM4,451,420 and RM138,466) respectively.

13. investments in subsidiary companies

	The Company	
	2005 RM'000	2004 RM'000
Unquoted shares, at Directors' valuation	60,480	55,505

The investment in subsidiary companies was revalued by the Directors on June 19, 2000 based on the audited net tangible asset values as of December 31, 1999 in connection with the listing of the Company on the Main Board of Bursa Malaysia Securities Berhad. The revaluation surplus of RM47,069,019 was credited to revaluation reserve in 2000. In 2000 and 2004, a portion of the revaluation reserve was capitalised by way of bonus issues and the remaining balance of revaluation surplus is as reflected in Note 28.

notes to the financial statements

13. investments in subsidiary companies (cont'd.)

The subsidiary companies are as follows:

(a) Subsidiaries of the Company

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
Genting Jelas Sdn Bhd	Malaysia	100	100	Dormant
Istawa Sdn Bhd	Malaysia	100	100	Dormant
Nirvana Memorial Park Sdn Bhd	Malaysia	100	100	Development of rest park, construction and sales of tombs
Nir-Warna Development Sdn Bhd	Malaysia	100	100	Construction of Memorial Centre
Nir-Warna Marketing Sdn Bhd	Malaysia	51	51	Dormant
NV Alliance Sdn Bhd	Malaysia	100	100	Marketing agent of burial plots, urn compartments and pre-need funeral packages
NV Card Services Sdn Bhd	Malaysia	100	100	Dormant
NV Care Sdn Bhd	Malaysia	85	85	Sales of funeral packages
NV International (L) Limited	Labuan	100	100	Dormant
NV Care (Penang) Sdn Bhd (formerly known as NV Manufacturing Sdn Bhd)	Malaysia	-	100	Dormant
NV Multi Corporation (Hong Kong) Limited *	Hong Kong	100	100	Dormant
Paramount Right Sdn Bhd	Malaysia	100	100	Dormant
Rantau Delima Sdn Bhd	Malaysia	100	100	Dormant

notes to the financial statements

13. investments in subsidiary companies (cont'd.)

(b) Subsidiaries of Nirvana Memorial Park Sdn Bhd

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
Nirvana Memorial Park (Johor) Sdn Bhd	Malaysia	100	100	Development of rest park, construction and sales of tombs
Nirvana Memorial Park (Klang) Sdn Bhd	Malaysia	100	100	Dormant
Nirvana Memorial Park (Kuching) Sdn Bhd	Malaysia	65	65	Development of rest park, construction, sales of tombs and sales of funeral packages
Nirvana Memorial Park (Melaka) Sdn Bhd	Malaysia	100	100	Dormant
Nirvana Memorial Park (Penang) Sdn Bhd	Malaysia	100	100	Dormant
Nirvana Memorial Park (Sabah) Sdn Bhd	Malaysia	100	100	Development of rest park, construction and sales of tombs
Nirvana Memorial Park (Shah Alam) Sdn Bhd	Malaysia	100	100	Dormant
Nirvana Memorial Park (Sibu) Sdn Bhd	Malaysia	100	100	Development of rest park, construction and sales of tombs

(c) Subsidiary of Nirvana Memorial Park (Kuching) Sdn Bhd

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
Anglosa Development Sdn Bhd	Malaysia	100	100	Dormant

notes to the financial statements

13. investments in subsidiary companies (cont'd.)

(d) Subsidiaries of NV Care Sdn Bhd

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
NV Care (Johor) Sdn Bhd	Malaysia	100	100	Dormant
NV Care (Penang) Sdn Bhd (formerly known as NV Manufacturing Sdn Bhd)	Malaysia	100	–	Sales of funeral packages
Pinang Sepadan Sdn Bhd	Malaysia	100	100	Dormant
PJMC Sdn Bhd	Malaysia	100	100	Dormant

(e) Subsidiaries of NV Multi Corporation (Hong Kong) Limited

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2005 %	2004 %	
NV World-Wide Information Consultancy Co. Ltd. *	The People's Republic of China	100	100	Dormant
Harvest China Holdings Limited *	Hong Kong	100	100	Dormant
PT Alam Hijau Lestari *	Indonesia	51	51	Development of rest park, construction and sales of tombs
NV Mauritius Limited	Republic of Mauritius	100	100	Dormant

* Audited by other firms of auditors.

The financial statements of NV World-Wide Information Consultancy Co. Ltd., a wholly-owned subsidiary of NV Multi Corporation (Hong Kong) Limited were not consolidated in the Group financial statements as the controlling interest is temporary.

On December 14, 2005, the Company subscribed for an additional 4,975,000 ordinary shares of RM1 each at par in Nir-Warna Development Sdn Bhd, a wholly owned subsidiary of the Company for a cash consideration of RM4,975,000.

notes to the financial statements

14. other investments

	The Group and The Company	
	2005 RM'000	2004 RM'000
Club memberships at cost	228	228
Market value	860	858

15. trade and other receivables

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	49,163	59,565	-	-
Allowance for doubtful debts	(30)	(45)	-	-
	49,133	59,520	-	-
Other receivables	10,356	4,594	101	12
Refundable deposits	2,990	3,571	230	211
Prepaid expenses	1,157	2,551	80	64
Tax recoverable	1,272	2,225	30	570
Stakeholders' fund	9	9	-	-
	64,917	72,470	441	857
Less: Trade receivables non-current portion, due more than 12 months	(11,223)	(13,134)	-	-
	53,694	59,336	441	857

The currency exposure profile of trade receivables is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Ringgit Malaysia	43,314	53,608
Indonesian Rupiah	5,819	5,912
	49,133	59,520

Trade receivables comprise amount receivable from the sale of funeral packages and goods.

notes to the financial statements

15. trade and other receivables (cont'd.)

The credit period granted on sales of goods ranges from 1 to 12 months (2004: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

Included in the refundable deposits is an amount of RM300,000 (2004 : RM300,000) paid to secure the right of a joint venture to jointly develop a piece of land into non-Muslim oriental cemetery in Selangor. Another RM600,000, which was paid in 2004 to secure the right of a joint venture to jointly develop a piece of land into a non-Muslim oriental cemetery in Penang, was refunded during the year upon termination of the right of the joint venture.

16. pre-need funeral contract receivables

	The Group	
	2005	2004
	RM'000	RM'000
Pre-need funeral contract receivables	5,638	11,552
Sinking fund	22,741	22,054
	28,379	33,606
Less: Non-current portion, due more than 12 months	(23,300)	(22,551)
Current portion of pre-need funeral contract receivables	5,079	11,055

The Group's normal trade credit ranges from 1 to 12 months (2004: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

17. amount owing by/(to) subsidiary companies

	The Company	
	2005	2004
	RM'000	RM'000
Amount owing by subsidiary companies:		
Within 12 months (shown under current assets)	113,099	116,445
Non-current portion	4,498	4,499
	117,597	120,944
Amount owing to subsidiary companies	(156)	(150)
	117,441	120,794

The amounts owing by/(to) subsidiary companies are unsecured, interest free with no fixed terms of repayment except for an amount of RM35,000,000 (2004: RM35,000,000) representing advances owing by certain subsidiary companies on which interest is charged at 6.70% (2004: 6.70%) per annum.

notes to the financial statements

18. deferred tax (assets)/liabilities

	The Group	
	2005	2004
	RM'000	RM'000
Deferred tax liabilities:		
Balance at beginning of year	3,033	1,905
Transfer (from)/to income statements (Note 10)	(523)	1,128
Balance at end of year	2,510	3,033

The deferred tax liabilities are in respect of the following:

	Deferred Tax	
	(Assets)/Liabilities	
	The Group	
	2005	2004
	RM'000	RM'000
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	790	1,967
Deferred acquisition cost	1,006	327
Cemetery property	714	739
	2,510	3,033
Deferred tax assets		
Balance at beginning of year	(11,342)	(8,613)
Transfer from income statements (Note 10)	(230)	(2,729)
Balance at end of year	(11,572)	(11,342)

The deferred tax assets are in respect of temporary differences arising from sales of pre-need funeral contracts.

notes to the financial statements

18. deferred tax (assets)/liabilities (cont'd.)

As mentioned in Note 3, the tax effects of temporary differences which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. As of December 31, 2005, the estimated amount of net deferred tax assets of certain subsidiary companies, calculated at the current applicable tax rate which has not been recognised in the financial statements, is as follows:

	The Group	
	2005	2004
	RM'000	RM'000
Unabsorbed capital allowances	53	17
Unutilised tax losses	10	4
	63	21

The unutilised tax losses and unabsorbed capital allowances are subject to agreement by the tax authorities.

19. goodwill arising on consolidation

	The Group	
	2005	2004
	RM'000	RM'000
Goodwill:		
At beginning of year	10,196	10,193
Goodwill arising from acquisition of a subsidiary company	-	3
At end of year	10,196	10,196
Accumulated amortisation:		
At beginning of year	(2,413)	(1,379)
Charge for the year	(1,039)	(1,034)
At end of year	(3,452)	(2,413)
	6,744	7,783

notes to the financial statements

20. inventories and development expenditure

	The Group	
	2005 RM'000	2004 RM'000
At cost:		
Raw materials	111	317
Work in progress	12,308	9,214
Finished goods	1,124	513
Finished stocks	1,164	1,351
Land held for development	38,425	39,067
	53,132	50,462
Development expenditure	107,087	87,927
	160,219	138,389

21. cash and bank balances

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits with licensed banks	2,018	2,748	-	500
Short-term deposits with other licensed corporations	14,650	5,600	6,100	-
Cash on hand and at banks	8,106	8,548	258	263
	24,774	16,896	6,358	763

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	23,863	16,489	6,358	763
United States Dollar	483	335	-	-
Indonesian Rupiah	381	40	-	-
Others	47	32	-	-
	24,774	16,896	6,358	763

In the previous financial year, fixed deposit amounting to RM55,859 was pledged to a local bank as security for a bank guarantee facility granted to the Group. During the financial year, the pledge has been withdrawn by the bank.

The deposits bear interest at rates ranging from 2.60% to 3.75% (2004: 1.85% to 3.70%) per annum and have an average maturity ranging from 1 to 365 days (2004 : 14 to 365 days).

Included in the Group's bank balances is an amount of RM13,782 (2004: RM109,551) maintained pursuant to the requirement of the Housing Developers (Housing Development Account) Regulations, 1991.

notes to the financial statements

22. trade and other payables

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	27,878	18,858	-	-
Other payables	10,201	13,785	259	125
Accrued expenses	7,046	3,966	1,096	991
Advance payments received	4,713	3,755	-	-
Incentives payable to agents	11,608	10,655	-	-
Sinking fund reserve	4,423	2,269	-	-
	65,869	53,288	1,355	1,116

The currency exposure profile of trade payables is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Ringgit Malaysia	23,122	15,790
Indonesian Rupiah	4,756	3,068
	27,878	18,858

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group and the Company for trade purchases ranges from 30 to 90 days (2004 : 30 to 90 days).

Other payables arise mainly from other operating expenses.

23. hire-purchase and lease payables

	The Group	
	2005 RM'000	2004 RM'000
Total outstanding	2,225	1,095
Less: Amount due within 12 months (shown under current liabilities)	(637)	(463)
Non-current portion	1,588	632

notes to the financial statements

23. hire-purchase and lease payables (cont'd.)

Comprise:

(a) Hire-Purchase

	The Group	
	2005 RM'000	2004 RM'000
Total outstanding	2,035	1,306
Less: Interest in suspense	(268)	(211)
Principal outstanding	1,767	1,095
Less: Amount due within 12 months (shown under current liabilities)	(508)	(463)
Non-current portion	1,259	632

The non-current portion is repayable as follows:

	The Group	
	2005 RM'000	2004 RM'000
Financial year ending December 31		
2006	-	271
2007	395	173
2008	325	112
2009	311	76
2010	187	-
2011 and beyond	41	-
	1,259	632

notes to the financial statements

23. hire-purchase and lease payables (cont'd.)

(b) Finance lease

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Within one year	161	–	129	–
In the second to fifth years inclusive	374	–	329	–
	535	–	458	–
Less: Future finance charges	(77)	–	*	*
Present value of lease payables	458	–	458	–
Less: Amount due within 12 months			(129)	–
Non-current portion			329	–

* Not applicable

The non-current portion is repayable as follows:

	The Group	
	2005 RM'000	2004 RM'000
Financial year ending December 31,		
2007	140	–
2008	151	–
2009	38	–
	329	–

The average term for hire-purchase and lease is 4 to 7 years. For the financial year ended December 31, 2005, the interest rates implicit in the hire-purchase and lease payables of the Group range from 2.4% to 7.87% (2004: 2.60% to 6.25%) per annum. Interest rates are fixed at the inception of the hire-purchase and lease arrangements.

The Group's hire-purchase and lease payables are secured by a charge over the assets under hire-purchase and lease.

notes to the financial statements

24. borrowings

	The Group	
	2005	2004
	RM'000	RM'000
Revolving credit	7,559	6,885

The revolving credit granted to a subsidiary company is guaranteed by the Company. The revolving credit which is denominated in United State Dollar, bears interest at rates ranging from 3.38% to 5.75% (2004: 2.63% to 3.50%) per annum.

25. medium term notes

On 18 March 2004, the Company entered into Commercial Papers/Medium Term Notes ("CP/MTN") Programme Agreements pertaining to the issuance of CP/MTN up to an aggregate nominal value of RM100 million. Subsequently, the Company had via private placement on 29 March 2004 issued RM35 million of MTN which is unsecured with fixed interest rate of 5.7% per annum and on 5 May 2004 issued RM5 million of CP with fixed interest rate of 3.75% per annum. The RM5 million of CP was fully repaid in 2004. The MTN has a tenure of 5 years from the date of first issuance. The maturity date for the MTN of RM35 million is on 18 March 2009.

26. deferred pre-need funeral contract revenue

Deferred pre-need funeral contract revenue consists of:

	The Group	
	2005	2004
	RM'000	RM'000
Deferred pre-need funeral contract revenue	83,028	77,269
Realised and unrealised gain in sinking fund	472	2,148
	83,500	79,417

notes to the financial statements

27. share capital

	The Group and The Company	
	2005	2004
	RM'000	RM'000
Authorised:		
Ordinary shares of RM0.25 each		
Balance at beginning and end of year	100,000	100,000
Issued and fully paid:		
Ordinary shares of RM0.25 each		
Balance at beginning of year	85,523	70,000
Treasury shares cancelled during the year	-	(1,582)
Issued during the year:		
Bonus issue	-	17,105
Balance at end of year	85,523	85,523

28. reserves

	The Group		The Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Non-distributable reserves:				
Capital redemption reserve	1,582	1,582	1,582	1,582
Revaluation reserve	7,842	7,842	4,769	4,769
Currency translation reserve	119	-	-	-
	9,543	9,424	6,351	6,351
Distributable reserve:				
Unappropriated profit	67,080	54,824	63,204	45,358
Treasury shares	(6,011)	-	(6,011)	-
	70,612	64,248	63,544	51,709

Treasury shares

The Company has on June 28, 2005 at its 14th Annual General Meeting obtained the approval from its shareholders for the renewal of mandate for the Company to purchase its own shares up to ten (10) percent of its total issued and paid up share capital. During the financial year, the Company repurchased a total of 13,187,100 ordinary shares of RM0.25 each from the open market for a total consideration of RM6,010,690 at an average price of RM0.45 per share. The repurchase transactions were funded by internally generated funds. As of December 31, 2005, these shares were held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 and are carried at cost. The Company has a right to resell these shares at a later date. As treasury shares, the rights attached as to voting, share dividends and participation in any other distributions are suspended. None of the treasury shares repurchased has been sold or cancelled as of December 31, 2005. As of that date, the number of outstanding shares in issue after setting off treasury shares against equity is 328,902,900.

notes to the financial statements

28. reserves (cont'd.)

Revaluation reserve

Revaluation reserve represents the net surplus arising on the revaluation of investments in subsidiary companies.

Currency translation reserve

Exchange differences arising on translation of foreign entities are taken to the currency translation reserve as described in the accounting policies of the Group in Note 3.

Unappropriated profit

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM59,413,000 of the Company's unappropriated profit if distributed by way of cash dividend without additional tax liabilities being incurred. Any dividend paid in excess of this amount would result in a tax liability calculated at 28% on the gross amount of the additional dividend paid.

29. dividends

	The Group and The Company	
	2005	2004
	RM'000	RM'000
Interim dividend paid:		
RM0.02 gross per ordinary share of RM0.25 each, less 28% tax for 2004	-	4,926
RM0.075 gross per ordinary share of RM1.00 each, less 28% tax for 2003	-	3,695
	-	8,621

An interim dividend of 12% less 28% tax in respect of the financial year ended December 31, 2005 amounting to RM7,104,305 was paid on April 13, 2006.

The financial statements does not reflect this interim dividend which will be accounted for in the financial year ending December 31, 2006.

notes to the financial statements

30. cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits with licensed banks	2,018	2,692	-	500
Short-term deposits with other licensed corporations	14,650	5,600	6,100	-
Cash on hand and at bank	8,106	8,548	258	263
	24,774	16,840	6,358	763

31. contingent liabilities - unsecured

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Damages claimed by third parties as a result of earthworks carried out and pending court decision *	2,623	2,623	-	-
Corporate guarantee for banking facilities granted to subsidiary companies **	-	-	7,559	6,885
Corporate guarantee for end-financing facilities granted to purchasers, for which no loss is expected **	1,019	1,830	1,019	1,830
	3,642	4,453	8,578	8,715

* The Directors are of the opinion that the above claims are without merit. Accordingly, no provision is made for possible losses that may arise from these claims in the financial statements.

** As of December 31, 2005, the total amount of guarantees provided by the Company for the banking and end-financing facilities granted to the subsidiary companies and purchasers amounted to RM41,220,000 (2004 : RM41,350,000). Accordingly, the Company is contingently liable to the extent of the facilities utilised by the subsidiary companies and purchasers as disclosed above.

notes to the financial statements

32. capital commitments

As of December 31, 2005, the Group has the following capital commitments:

	The Group The Company	
	2005 RM'000	2004 RM'000
Approved and contracted for	-	4,331
Analysed as follows:		
Construction of a funeral complex	-	1,131
Investment in new ventures	-	3,200
	-	4,331

33. financial instruments

The Group is exposed to financial risks arising from its business activities and manages this through established risk management processes, proper monitoring and reporting to the management.

(i) Interest Rate Risk

As the Group's operating cash flows are substantially independent of changes in market interest rates, the Group does not use derivative financial instrument to hedge its risk. Interest rate exposure arises from the Group's borrowings and deposits and is managed through the use of fixed and floating rate debt.

(ii) Foreign Exchange Risk

The Group incurs foreign currency risk on borrowings that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar. Foreign exchange exposure in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

(iii) Credit Risk

The Group has no significant concentrations of credit risk. Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis through Group management reporting procedures.

The Group and the Company has no significant concentration of credit risk with any single counterparty. In respect of investment in cash and deposits, the policy is to transact with financial institutions that are assessed for acceptable creditworthiness. The maximum exposure to credit risks are represented by the carrying amount of each financial assets.

(iv) Market Risk

In connection with the Group's prearranged funeral operations, the cost of providing funeral packages in the future are deposited with the Trustee independent of the Group's finances, as presented in Note 16. The risk is minimised through stringent cost control by the Group, regular valuation by an independent Actuarial Consultant, and established investment policy by the Trustee.

(v) Liquidity Risk

It is the Group's policy to maintain flexibility in funding by keeping committed credit line available to ensure its ability to service obligation in the future by way of ongoing monitoring and forecasting of cash requirements.

notes to the financial statements

33. financial instruments (cont'd.)

Fair Values

The financial assets and financial liabilities of the Group and the Company whose fair values are required to be disclosed in accordance with FRS 132₂₀₀₄ Financial Instruments : Disclosure and Presentation (formerly known as MASB 24 Financial Instruments: Disclosure Presentation) comprise all its assets and liabilities with the exception of land held for development, investments in subsidiary companies, deferred acquisition cost, property, plant and equipment, goodwill arising on consolidation, inventories and provision for current and deferred tax liabilities/assets.

The estimated fair value of those financial assets and financial liabilities as of balance sheet date approximate their carrying amounts as shown in the balance sheets, except for the following financial liabilities:

	Note	2005		2004	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
The Group					
Financial Liabilities					
Hire-purchase and lease payables	23	2,225	2,630	1,095	1,215
Medium Term Notes	25	35,000	33,802	35,000	33,866
The Company					
Financial Liabilities					
Medium Term Notes	25	35,000	33,802	35,000	33,866

The fair value of hire-purchase and lease payables and Medium Term Notes is estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements.

Cash and Bank Balances and Short Term Investments

The carrying amount of cash and bank balances and short term investments approximates fair value due to the relatively short term maturity of these instruments.

Trade and Other Receivables and Payables

The historical cost of carrying amount of receivables and payables subject to normal trade credit terms approximate fair value. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

Provisions

The carrying amount of provisions approximate their fair value.

notes to the financial statements

34. events subsequent to balance sheet date

Subsequent to year end:

- (a) The Company entered into a Sale and Purchase Agreement with third parties to acquire 20% equity interest in Life Care Diagnostic Sdn Bhd (673106-V) ("LifeCare"), a company incorporated in Malaysia, which is principally involved in the business of operating health and wellness centre and provision of healthcare services for a cash consideration of RM490,000. In addition, the Company is to subscribe for 310,500 Redeemable Cumulative Convertible Preference Shares of RM1.00 each in LifeCare at a total subscription price of RM310,500; and
- (b) The Company entered into a Memorandum of Understanding ("MOU") with third parties to subscribe for a 40% share in a joint venture company to be established to jointly develop and operate a memorial park in Vietnam.

35. 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 operations are not presented.

statement by directors

The Directors of **NV MULTI CORPORATION BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standard Board ("MASB") approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of December 31, 2005 and of the results of its businesses and the cash flows for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution
of the Directors,

DATO' KONG HON KONG
Director

SOO WEI CHIAN
Director

Kuala Lumpur
April 24, 2006

declaration by the officer

primarily responsible for the financial management of the company

I, **GIAM SEU GEK (F)**, the Officer primarily responsible for the financial management of **NV MULTI CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

GIAM SEU GEK (F)
Subscribed and solemnly declared by the
abovenamed **GIAM SEU GEK (F)** at
PETALING JAYA this 24th day of April, 2006.

Before me,

S. SELVARAJAH
Commissioner For Oaths (B144)

analysis of shareholdings

as at 30 April 2006

Authorised Share Capital	:	RM100,000,000 divided into 400,000,000 ordinary shares of RM0.25 each.
Issued and Paid-up Share Capital	:	RM85,522,500 comprising of 342,090,000 ordinary shares of RM0.25 each.
Class of Securities	:	Ordinary Shares of RM0.25 each.
Voting rights	:	One (1) vote per ordinary share.

The analysis below is based on the issued and paid-up share capital of the Company of RM85,522,500 comprising 342,090,000 ordinary shares of RM0.25 each and after deduction of 13,187,100 treasury shares retained by the Company as per Record of Depositors.

Size of Shareholdings	No. of Holders	(%)	No. of Shares	(%)
Less than 100 shares	42	1.30	346	0.00
100 - 1,000 shares	113	3.49	90,296	0.03
1,001 - 10,000 shares	2,049	63.26	11,712,700	3.56
10,001 - 100,000 shares	894	27.60	29,491,640	8.96
100,001 to less than 5% of issued shares	137	4.23	145,297,382	44.18
5% and above of issued shares	4	0.12	142,310,536	43.27
	3,239	100	328,902,900	100.00
Treasury shares	-	-	13,187,100	-
Total	3,239	100	342,090,000	100.00

Substantial Shareholders (5% and above) as per Register of Substantial Shareholders as at 30 April 2006

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Anugaris Sdn Bhd	89,392,536	27.18	-	-
Dato' Kong Hon Kong	2,507,400	0.76	89,392,536 #	27.18
Datin Lau Ah Lan	-	-	89,392,536 @	27.18
Dato' Seri Tiong King Sing	64,918,000	19.74		

Deemed interest under Section 6(4) of the Companies Act, 1965 through Anugaris Sdn. Bhd.

@ Deemed interest under Section 6(5) of the Companies Act, 1965 through Anugaris Sdn. Bhd.

Directors' Shareholdings as per Register of Directors' Shareholdings as at 30 April 2006

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	(%)	No. of Shares	(%)
Jen (B) Tan Sri Yaacob Bin Mat Zain	-	-	-	-
Dato' Kong Hon Kong	2,507,400	0.76	89,392,536 *	27.18
Lee Ah Kong	294,900	0.09	-	-
Soo Wei Chian	60,008	0.02	-	-
Kong Yew Foong	-	-	-	-
Mohamed Taib Bin Mahmood	-	-	-	-
Hew Tien Shoong	4,753,400	1.45	-	-

* Deemed interest through Anugaris Sdn. Bhd.

top thirty securities account holders as at 30 April 2006

No.	Name of Shareholders	No. of Shares Held	% of Shares
1.	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Tiong King Sing	64,918,000	19.74
2.	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Anugaris Sdn Bhd (CSC)	30,500,000	9.27
3.	Anugaris Sdn Bhd	24,892,536	7.57
4.	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Anugaris Sdn Bhd	22,000,000	6.69
5.	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	12,800,000	3.89
6.	Southern Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Anugaris Sdn Bhd	12,000,000	3.65
7.	Ke-Zan Nominees (Tempatan) Sdn. Bhd. Qualifier: Kim Eng Securities Pte. Ltd. for Tang Yin Seng	10,327,100	3.14
8.	Chan Ka Yan	10,266,072	3.12
9.	Kong Wai Yee	10,262,700	3.12
10.	HDM Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Wong Swee Yee (M12)	8,000,000	2.43
11.	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier: Phem Asset Management Sdn Bhd for Employees Provident Fund	5,550,400	1.69
12.	Tan Kah Hock	5,026,800	1.53
13.	Kong Sum Mooi	4,964,700	1.51
14.	Tee Tiam Lee	4,705,000	1.43
15.	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Hew Tien Shoong	3,500,000	1.06
16.	Tan Kean Huat	3,158,000	0.96
17.	Wong Swee Yee	3,050,000	0.93
18.	Mayang Teratai Sdn Bhd	2,758,840	0.84
19.	Hong Hock Ming	2,550,000	0.78
20.	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,449,500	0.75
21.	Lee Hong Eng	1,900,000	0.58
22.	Esteem Interest Sdn Bhd	1,795,000	0.55
23.	Hans Peter Holst	1,640,000	0.50
24.	Kong Hon Kong	1,507,400	0.46
25.	Amsec Nominees (Asing) Sdn Bhd Qualifier: P.T. Arab-Malaysian Capital Indonesia for Feisal Esmail	1,495,000	0.46
26.	Hew Tien Shoong	1,253,400	0.38
27.	Neoh Choo Ee & Company, Sdn. Berhad	1,200,000	0.36
28.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Silver Glass Continental S.A.	1,142,100	0.35
29.	Tan Mooi Seng	1,067,000	0.32
30.	Nile Capital Limited	1,038,500	0.32
Total		257,718,048	78.38

list of properties

as at 31 December 2005

Registered Owner	Description	Location	Existing use	Tenure	Approximate age of building years	Gross Land area	Build-up area	Net book value as at 31 December 2005 (RM)
Anglosa Development Sdn Bhd	Commercial Land	Lot 657 Block 226 Kuching North Land District 4½ Mile, Penrissen Road, Kuching	Vacant	99-years leasehold expiring on 31.12.2038	NA	1.00 acre	NA	1,020,117
Nirvana Memorial Park Sdn Bhd	4 storey office building	Country Lease 215337465 District of Penampang, Sabah bearing address:- Lot 16, Taman Victory 4th Mile Jalan Penampang Kota Kinabalu, Sabah	Office	99-years leasehold expiring on 01.01.2081	22	1,500 sq. ft.	8,947 sq. ft.	879,452
	Cemetery Land	Lot 1261, 1263-1266, 1298, 1357-1359, 1362, 1365-1367 1684-1686, 1687 PT1169-1171 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Burial plots and urn compartments	Freehold	NA	134.86 acres	NA	2,648,429
	Cemetery Land	Lots 868, 896, 1170 & 1439 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Burial plots	Freehold	NA	201.51 acres	NA	15,697,271
	Agriculture Land	Lots 588 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Vacant	Freehold	NA	5 acres	NA	9,971
Nirvana Memorial Park (Johor) Sdn Bhd	Cemetery Land	EMR 281 Lot 772, EMR 227 Lot 768 GM 83 Lot 769 & EMR 279 Lot 770, EMR 275 Lot 766 EMR 276 Lot 767 Mukim of Senai, Kulai District of Johor Bahru Johor	Burial plots and urn compartments	Freehold	NA	48.75 acres	NA	8,474,803

list of properties

as at 31 December 2005

Registered Owner	Description	Location	Existing use	Tenure	Approximate age of building years	Gross Land area	Build-up area	Net book value as at 31 December 2005 (RM)
Nirvana Memorial Park (Kuching) Sdn Bhd	Cemetery Land	Land Bau, Occupation Ticket No. 1856 of 1928 Senggi Poak Land District Sarawak	Burial plots	99 years leasehold expiring on 2027	NA	17.50 acres	NA	745,910
	Cemetery Land	Land Bau Occupation Ticket Lot 431, Block 9 Senggi Poak Land District Sarawak	Burial plots	99 years leasehold expiring on 31.12.2040	NA	32.46 acres	NA	1,202,450
	Agriculture Land	113 & 114 Block 9 Senggi Poak Land District Sarawak	Vacant	99 years leasehold expiring on 31.12.2040	NA	4.46 acres	NA	331,928
	Agriculture Land	Bau Occupation Ticket 3213 Ta Poh Shak, Bau Kuching	Vacant	99 years leasehold expiring on 31.12.2036	NA	6.00 acres	NA	489,600
Nirvana Memorial Park (Sabah) Sdn Bhd	Cemetery Land	Country Lease No. 139535 Mukim of Talipok Distric of Tuaran Kota Kinabalu, Sabah	Burial plots	99 years leasehold expiring on 24.01.2025	NA	44.41 acres	NA	4,000,896
	Agriculture Land	CL015386339 Kampung Nunton District of Kota Kinabalu, Sabah	Vacant	99 years leasehold expiring on 31.12.2075	NA	7.49 acres	NA	2,039,973
Nirvana Memorial Park (Sibu) Sdn Bhd	Agriculture Land	Lot 1501 Block 11 Seduan Land District Ulu Seduan, Sibu	Vacant	60 years leasehold expiring on 31.12.2010	NA	1.0563 hectares	NA	777,743
Pinang Sepadan Sdn Bhd	5 ¹ / ₂ storey office building	HS(D) No. 32717 PT No. 487 Mukim of Petaling District of Wilayah Persekutuan bearing address: Wisma NV Multi, No. 1, Jalan 1/116A Off Jalan Sungai Besi 57100 Kuala Lumpur	Memorial center	66 years leasehold expiring on 26.08.2046	2	35,470 sq. ft.	118,600 sq. ft.	30,079,219
PT Alam Hijau Lestari	4 storey office building	Pusat Niaga Roxy Mas Block D3/34-35 Jl. K. H. Hasyim Ashari Jakarta Pusat 10150	Office	Leasehold expiring on 2025	13	1,614 sq. ft.	7,400 sq. ft.	1,036,734

NA – Not applicable

share buy-back statement

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

If you have sold or transferred all your shares in NV Multi Corporation Berhad ("NV Multi"), you should at once forward this Statement to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents in this Statement.

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK AUTHORITY**1. INTRODUCTION**

The Company had on 2 June 2006 announced to Bursa Securities that the Company's intention to seek shareholders' approval for a renewal of mandate for the Company to purchase its own shares up to ten (10) percent of its total issued and paid-up share capital of the Company for the time being in accordance to the provisions of the Companies Act, 1965, the Company's Articles and Association and the Bursa Securities' Listing Requirements on share buy-back ("the Proposed Share Buy-Back").

The purpose of this Statement is to provide you with relevant details of the Proposed Share-Buy Back and to seek your approval on the Ordinary Resolution pertaining to Proposed Share-Buy Back to be tabled at the forthcoming Fifteenth Annual General Meeting ("AGM") to be held on 28 June 2006 at 11.00 a.m. at Level 3, Wisma NV Multi, No. 1 Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board had during the AGM held on 28 June 2005 obtained its shareholders' approval on the authority to purchase and/or hold up to ten percent (10%) of its total issued and paid-up share capital as quoted on the Bursa Securities. The authority shall expire at the conclusion of the forthcoming AGM of the Company which will be held on 28 June 2006.

The Board proposes to seek the renewal of the authority to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company quoted on the Bursa Securities. The total issued and paid-up share capital of the Company as at 30 April 2006 is RM85,522,500 comprising 342,090,000 ordinary shares of RM0.25 each ("the Shares"). As an illustration, the maximum number of shares which may be purchased by the Company will not be more than 34,209,000 Shares. The total number of shares which are available for further buy back by the Company is up to a maximum of 21,021,900 ordinary shares of RM0.25 each after deducting 13,187,100 shares already purchased and retained as Treasury Shares since the date of approval of its shareholders on 28 June 2005.

The Proposed Share Buy-Back, if renewed, would be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back at the forthcoming AGM until the conclusion of the next AGM of NV Multi, unless earlier revoked or varied by ordinary resolution of shareholders of NV Multi in a general meeting, or upon the expiration of the period within which the next AGM after the date on which the authority conferred by the resolution is required by the law to be held, whichever occurs first.

Chapter 12 of the Bursa Securities' Listing Requirements stipulates that the Proposed Share-Buy Back must be made wholly out of retained profits of the listed company. As at 31 December 2005, the audited retained profits of the Company was RM63,204,000. The Proposed Share Buy-Back will be funded from internal generated funds and/or external borrowing. The amount of internal funds and/or external borrowings to be utilised will only be determined later depending on the available internally generated funds, actual number of Shares to be purchased, and/or held, the anticipated future cash flow and relevant cost factors.

share buy-back statement

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will enable the Company to utilise its financial resources to purchase its own shares in order to enhance the return on equity. In addition, the Proposed Share Buy-Back may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of the Shares in the open market, thereby supporting the fundamental value of its Shares.

The purchased shares could be held as treasury shares and resold on the Bursa Securities later with the intention of realising potential capital gains in the event that the market prices of the Shares appreciate in the future which will increase the shareholders' equity of the Company. In the event the treasury shares are distributed as share dividends, it will serve to reward the shareholders of the Company.

However, the Proposed Share Buy-Back will reduce the financial resources of the Group, which may result in the Group foregoing other investment opportunities that may emerge in the future, or any interest income that can be derived from the funds utilised for the Proposed Share Buy-Back. It may also reduce the amount of financial resources available for distribution of dividends to its shareholders as funds are utilised to purchase Shares. However, the financial resources of the Group may recover or increase upon the reselling of the purchased shares held as treasury shares at higher price than their purchase price.

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase and/or hold its own shares at any time within the abovementioned time period using the internal funds of the Company and/or external borrowings. The amount of internal funds and/or external borrowings to be utilised will only be determined later depending on the available internally generated funds, actual number of Shares to be purchased, and/or held, the anticipated future cash flow and relevant cost factors.

In light of the above, the Board will be mindful of the interest of NV Multi and its shareholders in undertaking the Proposed Share Buy-Back.

4. SHAREHOLDINGS

The following table illustrates the direct and indirect interests of the Directors, Substantial Shareholders and person connected with the Directors of NV Multi on 30 April 2006 (being the most practicable date prior to the printing of this Statement) where the Treasury Shares held by the Company which amounted to 13,187,100 Shares as at 30 April 2006, are excluded in the computation of number or percentage of the shareholdings of substantial shareholders and assuming that NV Multi purchase the maximum ten percentage (10%) of the total issued and paid-up share capital.

	Before the Proposed Share Buy-Back based on issued and paid-up capital of 328,902,900 ordinary shares of RM0.25 each				After the Proposed Share Buy-Back based on issued and paid-up capital of 307,881,000 ordinary shares of RM0.25 each			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Substantial Shareholders								
Anugaris Sdn. Bhd.	89,392,536	27.18	-	-	89,392,536	29.03	-	-
Dato' Kong Hon Kong	2,507,400	0.76	89,392,536 [#]	27.18	2,507,400	0.81	89,392,536 [#]	29.03
Datin Lau Ah Lan	-	-	89,392,536 ^{##}	27.18	-	-	89,392,536 ^{##}	29.03
Dato' Seri Tiong King Sing	64,918,000	19.74	-	-	64,918,000	21.09	-	-

share buy-back statement

4. SHAREHOLDINGS (cont'd.)

	Before the Proposed Share Buy-Back based on issued and paid-up capital of 328,902,900 ordinary shares of RM0.25 each				After the Proposed Share Buy-Back based on issued and paid-up capital of 307,881,000 ordinary shares of RM0.25 each			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Directors								
Dato' Kong Hon Kong	2,507,400	0.76	89,392,536 [#]	27.18	2,507,400	0.81	89,392,536 [#]	29.03
Lee Ah Kong	294,900	0.09	-	-	294,900	0.10	-	-
Soo Wei Chian	60,008	0.02	-	-	60,008	0.02	-	-
Hew Tien Shoong	4,753,400	1.45	-	-	4,753,400	1.54	-	-
Person connected with Directors								
Kong Hon Ming (Brother of Dato' KONG HON KONG)	415,000	0.13	-	-	415,000	0.13	-	-

Notes:

[#] Deemed interest by virtue of his substantial shareholdings of 75% in Anugaris Sdn. Bhd.

^{##} Deemed interest by virtue of her shareholdings of 12.5% and her spouse's (Dato' Kong Hon Kong) shareholding in Anugaris Sdn. Bhd.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued and paid-up share capital of NV Multi will depend on the intention of the Board with regard to the purchased shares. In the event that the purchased shares are cancelled, the Proposed Share Buy-Back will result in a reduction in the total issued and paid-up share capital of the Company as follows:

	No. of Shares of RM0.25 each	RM
Issued and paid-up share capital as at 30 April 2006	342,090,000	85,522,500
Assuming the Proposed Share Buy-Back is carried out in full and the shares are subsequently cancelled	(34,209,000)	(8,552,250)
Resultant share capital	307,881,000	76,970,250

share buy-back statement

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK (Cont'd.)

5.1 Share Capital (Cont'd.)

However, if the purchased shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company. Nevertheless, the rights attached to the treasury shares in relation to voting, share dividends and participation in any other distributions or otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes, including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

5.2 Net Asset ("NA") per share

The effect of the Proposed Share Buy-Back on the NA per share of the Group will depend on the purchase price and the effective cost of funding of the Group.

If the purchased shares are kept as treasury shares or to be cancelled, the NA per share would decrease, unless the cost per share of the treasury shares purchased is below the NA per share at the relevant point in time. On the contrary, if the purchased shares are treated as treasury shares and subsequently resold on the Bursa Securities, the NA per share of the Group would increase if the Company realise a gain from the resale, and vice-versa.

5.3 Working Capital and Cash Flow

The Proposed Share Buy-Back will reduce the working capital and cash flow of the Company, the quantum of which depends on, amongst others, the number of shares purchased and the purchase prices of the Shares.

For shares so purchased which are kept as treasury shares, upon its resale, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.4 Earnings Per Share ("EPS")

The effects of the Proposed Share Buy-Back on EPS of the Group would depend on the purchase price, number of shares purchased and the effective cost of funding of the Group. Similarly, on the assumption that the shares so purchased are treated as treasury shares and subsequently resold, the extent of the effect of the earnings of the Group will depend on the actual selling price, the number of treasury shares resold, and the gain or loss and interest expense arising.

5.5 Dividends

Assuming the proposed Share Buy-back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share buy-back will have the effect of increasing the dividend rate of NV Multi as a result of the reduction in the issued and paid-up share capital of the Company as described under section 5.1 above.

For the financial year ended 31 December 2005, the Company declared a dividend of 12% per share less 28% Malaysia Income Tax.

5.6 Public shareholding spread

The Board of NV Multi will ensure that it will not purchase its own shares which will result the Company's public shareholding spread falling below the minimum requirements of twenty-five percent (25%). As at 30 April 2006, the public shareholding spread of the Company is approximately 46.61% of its total issued and paid up share capital.

share buy-back statement

6. IMPLICATION RELATING TO THE CODE

Based on the shareholdings of the major shareholders as at 30 April 2006 (being the last practicable date prior to the printing of this Statement) and assuming that the Proposed Share Buy-Back is carried out in full, the Proposed Share Buy-Back exercise does not have any implication on the Malaysia Code on Take-Overs and Mergers, 1998 ("the Code") as none of the major shareholders and/or parties acting in concert with them will hold more than 33% direct and indirect interest in NV Multi.

In the event that the number of NV Multi shares bought back subsequent to the date of this Statement were to result in any major shareholder(s) and/or parties acting in concert triggering the Code, such major shareholder(s) and/or parties acting in concert may consider seeking a waiver under Practice Note 2.9.10 of the Code.

7. DIRECTORS' RECOMMENDATION

Your Board, after careful consideration, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. Accordingly, your Board recommends that you vote in favour of the resolution to give effect to the Proposed Share Buy-Back at the forthcoming AGM.

8. FURTHER INFORMATION

Shareholders could extract other relevant information in relation to the Proposed Share Buy-Back from other relevant section of the Annual Report.

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form of proxy

No. of Shares held

I/We _____
(NAME IN FULL AND NRIC NO./COMPANY NO.)

of _____
(FULL ADDRESS)

being a member of the abovenamed Company hereby appoint _____
(NAME IN FULL AND NRIC NO.)

of _____
(FULL ADDRESS)

or failing whom _____
(NAME IN FULL AND NRIC NO.)

of _____
(FULL ADDRESS)

or failing whom, the Chairman of the meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Level 3, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday, 28 June 2006 at 11.00 a.m. or at any adjournment thereof, in the manner as indicated below:

No	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2005 together with the Reports of the Directors and Auditors thereon.		
2.	To re-elect Dato' Kong Hon Kong, a Director retires pursuant to Article 78 of the Company's Articles of Association.		
3.	To re-elect Mr. Soo Wei Chian, a Director retires pursuant to Article 85 of the Company's Articles of Association.		
4.	To re-elect Mr. Kong Yew Foong, a Director retires pursuant to Article 85 of the Company's Articles of Association.		
5.	To re-elect Mr. Hew Tien Shoong, a Director retires pursuant to Article 85 of the Company's Articles of Association.		
6.	To re-appoint Jen (B) Tan Sri Yaacob Bin Mat Zain, who is over the age of seventy years and retiring pursuant to Section 129 of the Companies Act, 1965 as Director of the Company and to hold office until the next Annual General Meeting.		
7.	To approve the payment of Directors' fees for the year ended 31 December 2005.		
8.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
9.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
10.	To approve the proposed renewal of Shareholders' Mandate for Share Buy-Back.		

(Please indicate with "X" in the appropriate space how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____, 2006. _____

Signature of Shareholder(s)/Common Seal

Notes

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies; and in case of corporation, a duly authorised representative to attend and vote in his stead.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

STAMP



The Company Secretary
NV Multi Corporation Berhad (204888-D)
Level 3A, Wisma NV Multi
No.1, Jalan 1/116A
Off Jalan Sungai Besi
57100 Kuala Lumpur



**NV MULTI
CORPORATION BERHAD**
(204888-D)