

NV MULTI CORPORATION BERHAD



N I R V A N A | Peace & Tranquility

Annual Report 2007

Cover Rationale



N I R V A N A | Peace & Tranquility

Tranquility means peacefulness, serenity and calmness. Let every moment of our lives be felt with tranquility and cherished memories for our loved ones to savour for eternity. This guides NV Multi Corporation Berhad in its efforts to convert its memorial parks into a scenic and splendour landscaping complete with modern and contemporary designs which provide a mesmerizing ambience for visitors as well as a peaceful and beautiful place of memories and tranquility for generations of families.

Contents

2 Notice of Annual General Meeting	5 Statement Accompanying Notice of Annual General Meeting	6 3 Years Group Financial Focus	
7 Corporate Directory	8 Corporate Information	9 Corporate Structure	10 Directors' Profile
	14 Memo from the Chairman	17 Business Review	22 Corporate Governance Statement
28 Corporate Social Responsibility	30 Internal Control Statement	33 Audit Committee Report	38 Financial Statements
105 Analysis of Shareholdings	109 List of Properties	111 Share Buy-Back Statement	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventeenth 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 Thursday, June 26, 2008 at 11.00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended December 31, 2007 together with the Reports of the Directors and Auditors thereon. Resolution 1
2. To declare a first and final dividend of 12% less 26% income tax for the financial year ended December 31, 2007. Resolution 2
3. To re-elect the following Directors retiring pursuant to Article 78 of the Company's Articles of Association:-
 - a. Kong Yew Foong Resolution 3
 - b. Soo Wei Chian Resolution 4
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 5
5. To approve the payment of Directors' fees of RM114,000 for the financial year ended December 31, 2007. Resolution 6
6. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 7

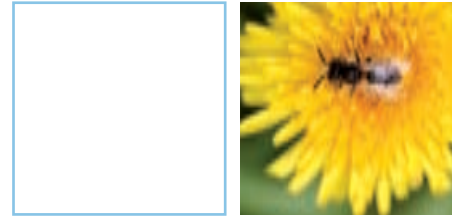
AS SPECIAL BUSINESS

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

7. **Ordinary Resolution** Resolution 8
- 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 until the conclusion of the next Annual General Meeting and 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 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 from Bursa Malaysia Securities Berhad ("Bursa Securities") for listing of and quotation for the additional shares so issued."

Notice of Annual General Meeting



8. Ordinary Resolution - Proposed Renewal of Share Buy-Back Authority

Resolution 9

“THAT subject to the 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 any other relevant authorities, the Company be and is hereby authorised to purchase and/or hold such number 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 Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company (“the Proposed Share Buy-Back) provided that:-

- a. The aggregate number of shares purchased and/or held by the Company shall not exceed 10% of the total issued and paid-up share capital of the Company;
- 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 share premium and 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) at the absolute discretion of the Directors of 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 the 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 a purchase made before such expiry date.

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.”

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

Notice of Annual General Meeting

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders, a first and final dividend of 12% less 26% income tax for the financial year ended December 31, 2007 will be paid on August 13, 2008 to Depositors registered in the Record of Depositors at the close of business on July 23, 2008.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) securities transferred into Depositor's Securities Account before 4.00 p.m. on July 23, 2008 in respect of transfer; and
- (b) securities bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

Chen Huey Jiuan
Company Secretary

Kuala Lumpur
June 2, 2008

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/she shall specify the proportion of his/her 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/her attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or his/her attorney duly authorised.
4. The instrument appointing a proxy must 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 8, 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, expire at the conclusion of the next Annual General Meeting of the Company.
 - 5.2 The Proposed Resolution 9, 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 111-116 of 2007 Annual Report.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

Details of Directors standing for re-election

The shareholding of the Directors standing for re-election in the Company based on the Register of Directors' shareholding as at April 30, 2008 are as follows:-

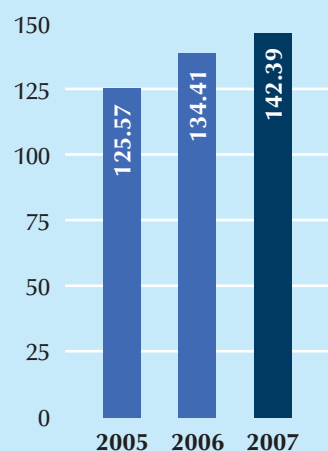
	Direct		Indirect	
	No. of ordinary shares of RM0.25 each Director	% of issued share capital held	No. of ordinary shares of RM0.25 each	% of issued share capital held
Jen (B) Tan Sri Yaacob bin Mat Zain	-	-	50,000	0.01
Kong Yew Foong	-	-	24,000,000	7.02
Soo Wei Chian	60,008	0.02	-	-

The other details of the Directors standing for re-election are disclosed in the Directors' profile section of this annual report.

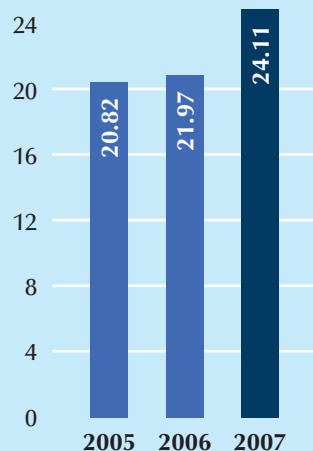
3 Years Group Financial Focus

	2005	2006	2007
Turnover (RM Million)	125.57	134.41	142.39
Profit Before Taxation (RM Million)	20.82	21.97	24.11
Net Earnings Per Share Attributable to Equity Holders of the Company (Sen)	3.67	4.51	4.71
Equity Attributable to Equity Holders of the Company (RM Million)	156.14	170.43	178.23
Total Assets (RM Million)	361.48	408.82	441.59

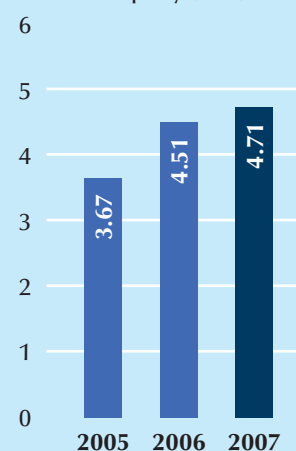
Turnover (RM Million)



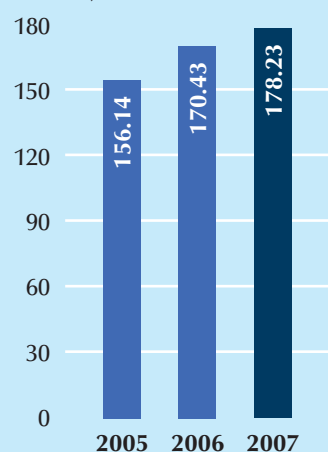
Profit Before Tax (RM Million)



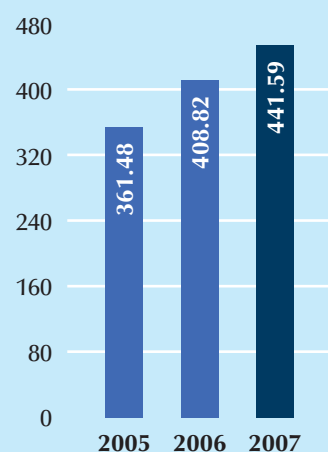
Net Earnings Per Share Attributable to Equity Holders of the Company (Sen)



Equity Attributable to Equity Holders of the Company (RM Million)



Total Assets (RM Million)



Corporate Directory



CORPORATE OFFICE

WISMA NV MULTI

No 1, Jalan 1/116A
Off Jalan Sg 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

KUALA LUMPUR OFFICE

Suite 10.01, 10th Floor
Wisma Mirama
Jalan Wisma Putra
50460 Kuala Lumpur
Tel No. : 03-2141 1822
Fax No. : 03-2141 1823

KUCHING OFFICE

No. 6, Jalan Petanak
93100 Kuching, Sarawak
Tel No. : 082-242 668
Fax No. : 082-247 188

MUAR OFFICE

No. 27 (Atas), Jalan Pesta Baru 1,
Pusat Perniagaan Pesta Baru
84000 Muar, Johor
Tel No. : 06-951 5989
Fax No. : 06-952 5989

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, KOTA KINABALU

Mile 15th, Jalan Bukit Giling
Off Jalan Tuaran Lama
Tuaran District, Sabah
Tel No. : 012-833 2080/012-833 1132
Fax No. : 012-833 5080

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, SEMENYIH

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

NIRVANA MEMORIAL PARK, SIBU

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

SHAH ALAM MEMORIAL PARK,

Seksyen 21, Jalan Pusaka 21/1,
Off Persiaran Jubli Perak,
40300 Shah Alam, Selangor.
Tel No. : 012-682 1017 /
012-618 1029

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

CAMBODIA

PHNOM PENH OFFICE

No. 338 Mao Tse
Toung Boulevard
Khan Toul Kork
Phnom Penh, Cambodia
Tel/Fax No. : 008550-2498 5169

TAIWAN

TAIPEI OFFICE

8F, 69, Sec. 2
Mincyuan E. Rd.
Jhongsan District
Taipei City 104
Taiwan R. O. C.
Tel No. : 008862-2598 2383

Corporate Information

BOARD OF DIRECTORS

Jen (B) Tan Sri Yaacob bin Mat Zain	<i>Independent Non-Executive Chairman</i>
Dato' Kong Hon Kong	<i>Managing Director</i>
Lee Ah Kong	<i>Executive Director</i>
Kong Yew Foong	<i>Executive Director</i>
Soo Wei Chian	<i>Executive Director</i>
Tan Kean Huat	<i>Executive Director</i>
Mohamed Taib bin Mahmood	<i>Independent Non-Executive Director</i>

AUDIT COMMITTEE

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

COMPANY SECRETARY

Chen Huey Jiuan

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

SHARE 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

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
DBS Bank Ltd
EON Bank Berhad

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock Code : 5021
Stock Name : NVMULTI

WEBSITE

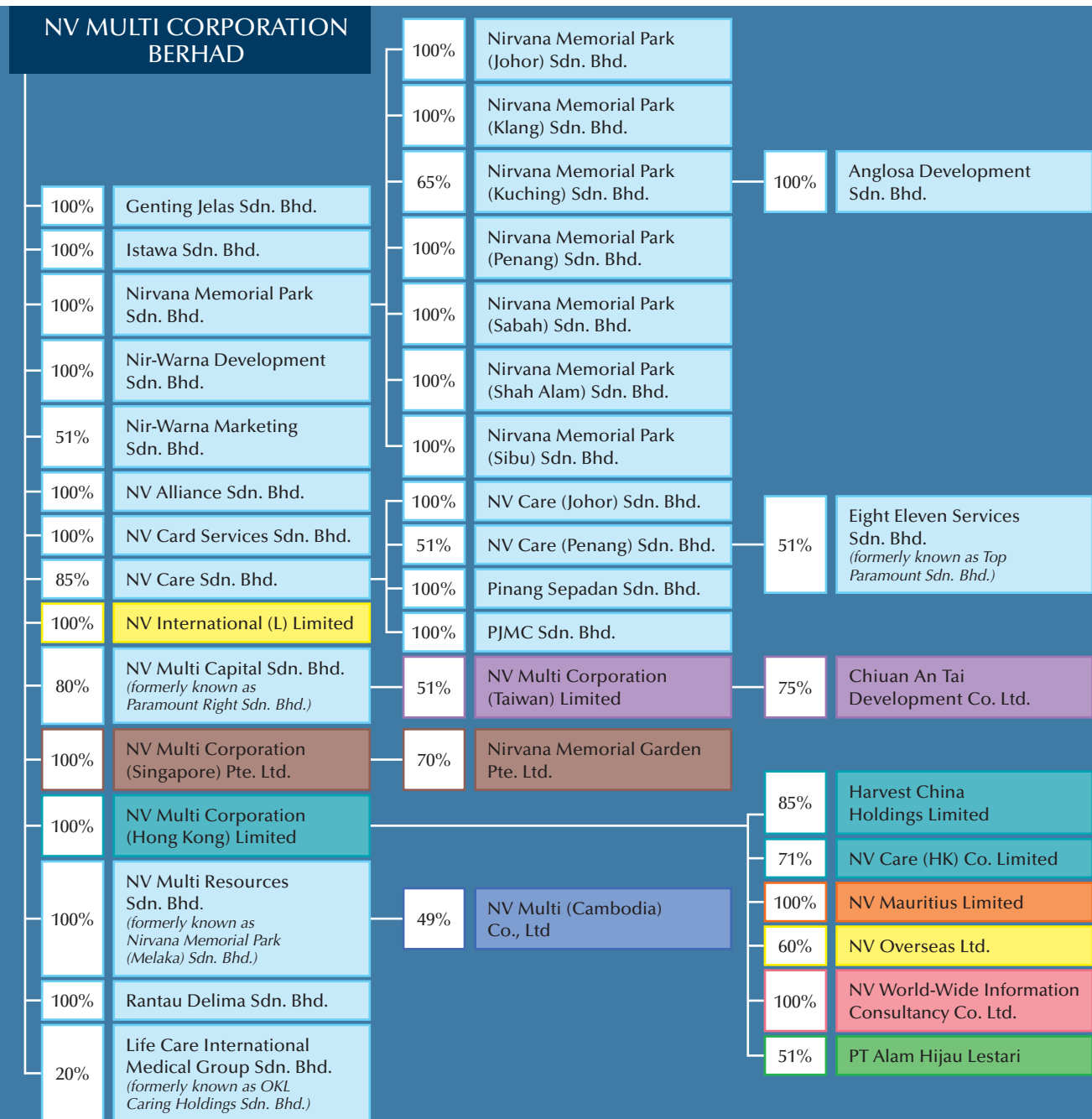
www.nvmc.com.my

EMAIL ADDRESS

nvmulti@nvmc.com.my

Corporate Structure

as at April 30, 2008



■ Incorporated in Labuan
■ Incorporated in Singapore
■ Incorporated in Hong Kong

■ Incorporated in Guangzhou, China
■ Incorporated in Taiwan
■ Incorporated in Indonesia

■ Incorporated in Mauritius
■ Incorporated in Cambodia

Directors' Profile

Jen (B) Tan Sri Yaacob Bin Mat Zain

Chairman, Aged 73, Malaysian
(Independent Non-Executive Director)

Jen (B) Tan Sri Yaacob bin Mat Zain was re-appointed as Chairman of NV Multi on April 28, 2000. He was previously Chairman of NV Multi during the period from June 20, 1995 to May 1, 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 in 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 Investment Bank Berhad.
- Chairman of Syarikat Permodalan Kebangsaan Berhad.
- Chairman of SPK Sentosa Bhd.
- Chairman of Mah Sing Group Berhad.
- Chairman of FTEC Resources Berhad.

Dato' Kong Hon Kong

Managing Director, Aged 54, Malaysian
(Non-Independent Executive Director)

Dato' Kong Hon Kong was appointed as Director of NV Multi on May 15, 1995 and he was designated as Managing Director on June 1, 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 in September 1999. He is also the Chairman of Employee Share Option Scheme (ESOS) 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 becomes 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.
- Honorary Chairman of NV Foundation.
- Advisor of Sin Chew Foundation.
- Advisor of Persekutuan Xiang Qi 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 62, Malaysian
(Non-Independent Executive Director)

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

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

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.

Kong Yew Foong

Executive Director, Aged 30, Malaysian
(Non-Independent Executive Director)

Mr. Kong Yew Foong was appointed as Executive Director of NV Multi on August 1, 2005. He is also a member of ESOS 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 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

Soo Wei Chian

Executive Director, Aged 39, Malaysian
(Non-Independent Executive Director)

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

He also holds directorship in several private companies.

Tan Kean Huat

Director, Aged 50, Malaysian
(Non-Independent Executive Director)

Mr. Tan Kean Huat was appointed as Director of NV Multi on February 1, 2008.

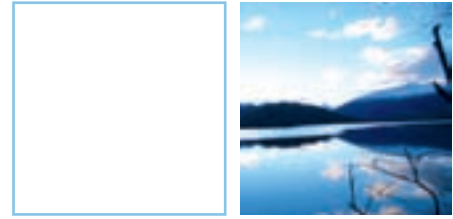
He is a graduate in Diploma in Electronic Engineering.

Apart from being in the insurance business for the past 20 years he is also active in the cosmetic trade. He has substantial interest in property investment as well as in food outlets.

Besides business, he is actively involved in charitable organizations. He is currently the President of Children Literature Recitation Center Malaysia, Trustee of Confucian Culture & Education Foundation, Secretary of Confucian Chung De Association and member of Federation of I-Kuan Tao Malaysia, Phoenix Welfare Foundation, NV Foundation and Malaysia Chinese Cultural Society.

He also holds directorships in several private companies.

Directors' Profile



Mohamed Taib Bin Mahmood

Director, Aged 62, Malaysian
(Independent Non-Executive Director)

Encik Mohamed Taib bin Mahmood was appointed as Director of NV Multi on April 3, 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 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.

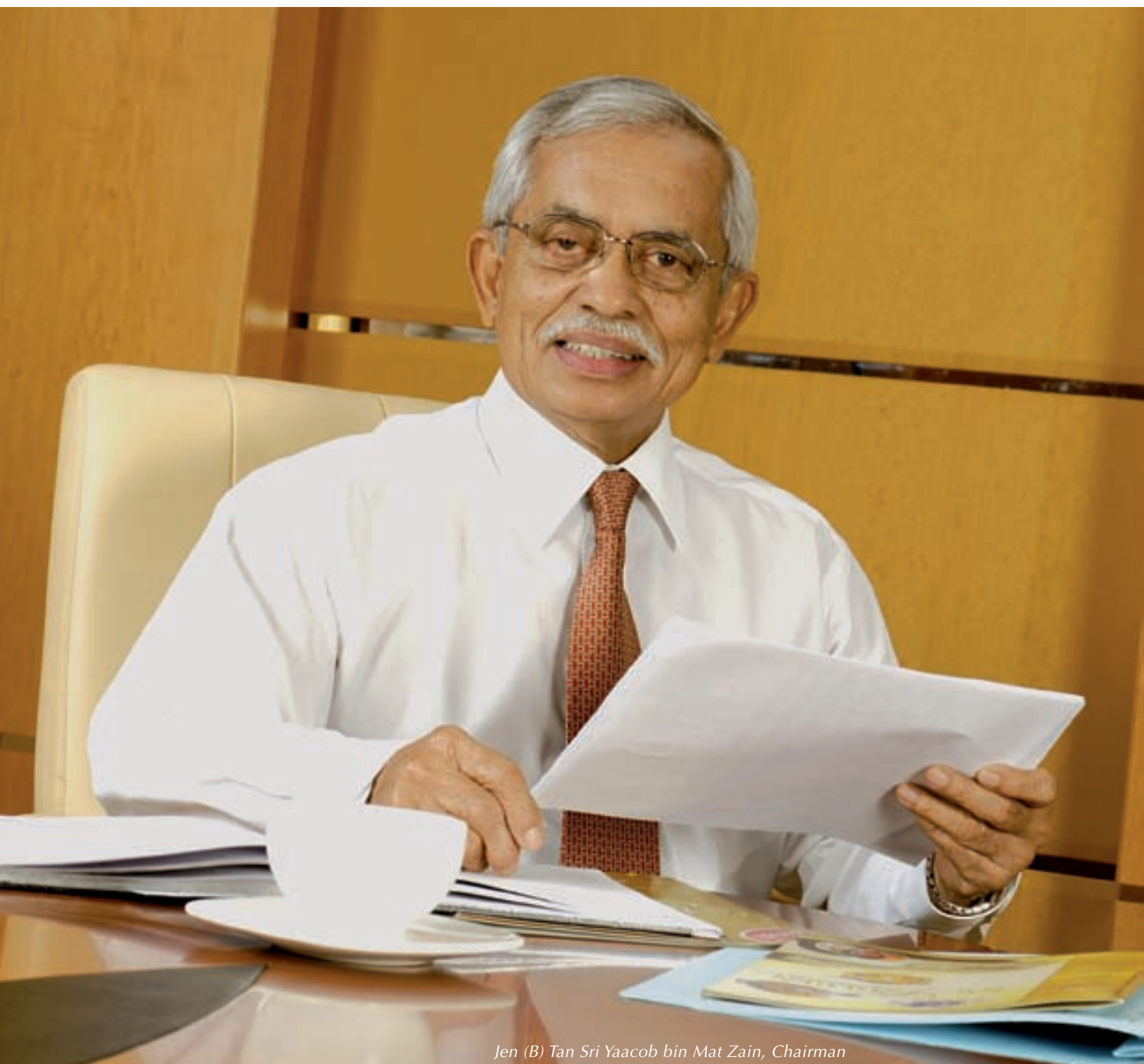
Currently, he is the Independent Non-Executive Chairman of Oilcorp Berhad.

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 Major 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 pass 10 years.

Memo from the Chairman



Jen (B) Tan Sri Yaacob bin Mat Zain, Chairman

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 to you the Annual Report of the Group and the Company for the financial year ended December 31, 2007.

FINANCIAL PERFORMANCE

I am pleased to report to you on another year of favourable performance by the Group. In 2007, the Group had registered a higher turnover of RM142.4 million (2006: RM134.4 million) with net profit of RM16.1 million (2006: RM15.2 million). Consequently the earnings per share rose by 4.4% to 4.71 sen compared to 4.51 sen recorded in 2006.

In addition, shareholders' funds had strengthened further to RM178.2 million compared to RM170.4 million recorded as at December 31, 2006.

The favourable performance in 2007 was attributed by the adoption of innovative marketing strategies and the sheer hardwork and commitment of the agents, management and employees of the Group and also as a result of our customers' trust in our products and services.

DIVIDENDS

The positive financial performance enabled the Board to recommend the proposed first and final dividend of 12% less 26% income tax for the financial year ended December 31, 2007 and this proposed payment represent 47% of the profit attributable to equity holders of the Company.

PROSPECTS

Despite a challenging external environment throughout 2007, the Malaysian economy continued to demonstrate its resilience, with its growth momentum being maintained. Moving forward, the Malaysian economic growth in 2008 is expected to be driven by the domestic demand and expected to strengthen further.

NV Multi is optimistic that the Group will continue to perform positively in 2008 and shall strive to maintain its pole position as the largest integrated bereavement care operator in South East Asia.

NV Multi will always adopt a carefully planned and well studied concept and/or strategies before it embarks on any new launches of its locations, products or services. The recent launch of its new memorial park, the Shah Alam Memorial Park, which is strategically located in Shah Alam, the capital city of Selangor, in end of 2007,

Memo from the Chairman

has received incredibly buying interest from the market, is another testimony of the customers' trust on its products and services. Being the only private memorial park in Shah Alam, the park will be completed with both modern and heritage designs for both the Buddhist and Christian communities. The Shah Alam Memorial Park, with its strategic location and its exclusively designed courtyard concept memorial park is fast gaining popularity and is poised to be the Group's main earnings driver.

Further to the Group's vision of expanding its businesses to countries in the Asian region, the Group has entered into agreements to jointly develop, operate and manage the memorial parks in Taiwan, Cambodia and Vietnam and shall continue to explore the possibilities of expansion to other countries within the Asian region whenever the appropriate opportunity arises.

APPRECIATION

On behalf of the Board of Directors, firstly, I would like to extend our warm welcome to Mr. Tan Kean Huat who joined as the Executive Director on February 1, 2008. I am confident that his wealth of experiences and expertise would lead the Group to greater heights. Secondly, may I take this opportunity to express our deepest and sincere appreciation for the strong commitment, dedication, loyalty and hard work rendered by all levels of employees for another year of positive performance by the Group and look forward for their continued strength, contribution, commitment and loyalty to steer the Group to achieve its goals and visions in the years ahead.

Mr. Hew Tien Shoong had resigned as Independent Non-Executive Director on May 1, 2008. On behalf of the Board of Directors, I wish to express our heartfelt appreciation and gratitude to Mr. Hew for his invaluable contributions to the Company during his term of office.

To our valued customers and agents, I would like to thank them for their trust, loyalty and support to our products and services and for their confidence in the Group and look forward on their continued trust, loyalty and support.

To our shareholders, bankers and business partners, once again on behalf of the Board, I wish to extend our sincere and heartfelt gratitude for their invaluable and continued confidence and trust in the NV Multi Group.

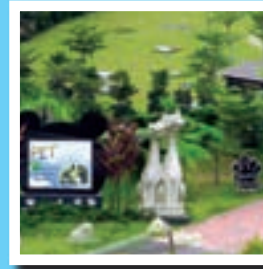
The Board pledges its fullest commitment to build the Group as one of the largest bereavement care operator in the Asian region and that the Group to be well positioned for positive growth.

Business Review



Dato' Kong Hon Kong, Managing Director

Business Review



GROUP PERFORMANCE

The 2007 performance once again reflects the strengths of the Group's business strategies. The Group has performed better with a 6% growth in the revenue from RM134.4 million recorded in 2006 to RM142.4 million in 2007. The main contributing factor for the higher revenue recorded was due to the improved sale on the burial plots arising from the implementation of innovative marketing strategies.

One of the main marketing strategies implemented during the year was the provision of the "Free Insurance Coverage with Full Redemption ("the Golden Care Plan") with Great Eastern Life Assurance (Malaysia) Berhad with the purchase of certain of the Group's products which garnered overwhelming responses.

Strategically, we maintained our focus on improving customer service, developing human capital and our brands, upgrading our facilities, improving memorialisation, opening new memorial park and pursuing overseas expansion while controlling costs and capital.

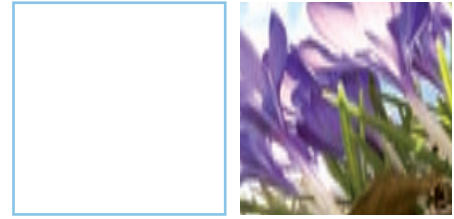
MEMORIAL PARKS

The sales of burial products from the Group's various memorial parks was the core contributor to the Group's revenue and this shall continue to be the main focus of its expansion program.

The Group will continue to undertake steps to enhance its existing memorial parks with various beautification plans to boast a scenic and splendor landscape complete with both modern and heritage designs to suit the needs of all classes of consumers with the utmost aim of providing a mesmerizing ambience for visitors as well as a peaceful and memorable resting place for the deceased.

To further strengthen our brand name and to maintain the Group's standing as the largest and innovative memorial park operator in South East Asia, the Group had launched the first ever pet cemetery, the Nirvana Pet Memorial Garden in Semenyih, Selangor. This pet cemetery was developed to meet the pet owners' wish to give their favourite pets a decent, dignified and peaceful resting place. It is a monument show casing the unique bonding between man and pet besides cherishing the sweet remembrance and it is indeed a true embodiment of our relentless pursuit of innovation to meet our customers' needs.

Business Review



The Group is also able to cater to the special needs of its customers as evident by the recent development of a specially designed urn columbarium named as The Chen Foh Chong Padmasambhava Urn Columbarium that embraces the teachings of the Tibetan Buddhism, in our Nirvana Memorial Park, Semenyih. This Columbarium consists of 1,000 units of niches which are specially designed to showcase the unique Tibetan architecture, motifs and color that exudes an air of calmness and peacefulness.

On the Group's expansion plans, the following events had taken place in 2007:-

MALAYSIA

The Group recently launched its new memorial park which is strategically located in Shah Alam, the capital city of Selangor, in end of 2007. This newly opened memorial park which measures approximately 25 acres will be another of the Group's testimony of its strength in branding and innovation. The memorial park will be equipped with state-of-art architecture of both modern and heritage designs for the Buddhist and Christian communities alike.

The first stage of the development on this park consist of 500 burial plots, an exclusively designed Tang Villa Urn Columbarium that will house 3,000 units of niches in meeting the needs of the Buddhist community and a beautifully designed Perpetual Garden Urn Columbarium which consist of 4,700 units of niches are meant for the Christian community. The Tang Villa Urn Columbarium resembles the "Si He Courtyard" building architectural of the ancient Beijing which emblems the Chinese ancient heritage culture that reflects an eternal peaceful environment. Whereas the Perpetual Garden Urn Columbarium shapes like a five (5) petal-like flower which symbolizes a blooming flower full of beauty and vigour. Market reception to Tang Villa Urn Columbarium since its launching was incredibly overwhelming and buying interest is growing steadily and is poised to be the Group's main earnings driver.

OVERSEAS PROJECTS

In line with the Group's objectives in expanding its business activities to other Asian countries, the Group had entered into Joint Venture Agreements with the respective local parties to jointly develop, operate and manage the memorial parks in Cambodia, Vietnam and Taiwan. Various infrastructure works are underway for the venture in Cambodia and sales are expected to commence by the third quarter of 2008. The venture for the memorial park in Taiwan is based on "Build Operate and Own" concept which is the first of its kind will house a crematorium and a funeral complex in Miaoli County which was scheduled to commence development by end of this year. On the other hand, our venture in Vietnam is pending the establishment of the Joint Stock company and the acquisition of the land which is projected to be completed by 2009.

We are confident that these overseas projects will enhance the Group's business growth in the years ahead. In addition, the Group continues to explore the possibilities of expansion to other countries within the Asian region whenever the appropriate opportunity arises.

Business Review

FUNERAL SERVICES

Funeral services forms another main source of income to the Group. To stimulate the revenue growth, the Group continues to undertake various improvements of its services and enhancements to its facilities by carrying out the following:

- (a) A major refurbishment of its hearses and limousines;
- (b) Implementing the “Toyota Hi-Lux vehicle” ownership by its service consultants. These vehicles are being tastefully painted and designed with the “Nirvana” brand, hence upgrading the image of its funeral peripherals and the related premium services;
- (c) Continued efforts in upgrading of the services by a team of well trained and professionally qualified service consultants. Above all, the enhanced funeral image system of the parlors truly exults a peaceful and pleasant place in the conduct of the last rites for the deceased by the family members, closed friends and loved ones.
- (d) As part of the Group’s branding as a one-stop bereavement care operator, the Group recently introduced an exclusive funeral service facility to cater for the memorial service for deceased pet as part of the package from the sales of the burial plots in Nirvana Pet Memorial Garden in Semenyih. This exclusively designed and caring service can bring for the pet owner a total peace of mind and hassle-free solution. The owner can witness the dignity of the last journey of their beloved pet with sweet memories.

Every improvement or enhancement was adopted not only to upgrade the standard but also to give the quality services to our valued customers. Excellent Customer service will remain at the heart of our strategy. Our employees’ commitment to excellent service will undoubtedly play a vital role in strengthening our position in the markets in which we operate.

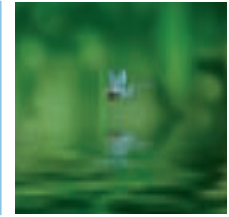
As part of the strategy to increase its revenue from the funeral service activities, the Group had acquired a 51% equity interest in Eight Eleven Services Sdn. Bhd. (formerly known as Top Paramount Sdn. Bhd.) which is the second largest funeral operator in Malaysia. This acquisition further strengthens the Group’s market share in the bereavement care business.

OTHER DEVELOPMENTS

The Group will continue in its efforts to demonstrate on a high degree of organizational excellence through the following achievements :

- (a) the Group had been reaffirmed with a long term rating of AA1 and short term rating of P1 for the fourth consecutive years on its Commercial Papers/Medium Term Notes Program.
- (b) the attainment on its renewal of the ISO 9001: 2000 certification for Quality Systems for the Years 2008 to 2010 for its Malaysian operations. In addition, its memorial park operations in Jakarta also attained the ISO 9001:2000 certification for Quality Systems in 2007.

Business Review



Perpetual Garden Urn Columbarium

LOOKING AHEAD

The coming year will be full of challenges and opportunities for the Group to further strengthen its status as the leader in the bereavement care industry.

We are off to a good start with an overwhelming response received from the Shah Alam Memorial Park.

With the Group's continued commitment to improve its products and services with great innovation, its strong branding, its wide sales networking and locations, we are confident our competitive edge will propel the Group for sustainable future growth.

Corporate Governance Statement

The Board of Directors of NV Multi Corporation Berhad (“the Group”) is committed to achieving and maintaining a high standard of corporate governance in order to protect and enhance the shareholders’ value and corporate performance in the Group. As such, the Board recognizes the importance of good corporate governance practice and will continue its effort to improve on its corporate practices and structure diligently.

The Board is pleased to disclose herein the Group’s application and underlying principles as set out in the Malaysian Code of Corporate Governance (“Code”) and the extent of compliance with the best practices in the Code throughout the financial year.

BOARD OF DIRECTORS

The Board

The Board has overall responsibility for strategic direction, control and activities of the Group. The Board meets on a quarterly basis and whenever deemed necessary. The Board has a formal schedule of matters specially reserved for its decision, including financial performance, annual strategic plan, acquisition, disposals, investments and new businesses, material agreements, major capital expenditures, borrowings and corporate restructuring.

Board Composition and Balance

For year 2007, the Board had seven (7) members, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. The composition of the Board is in compliance with paragraph 15.02 of the Bursa Malaysia Securities Berhad’s (“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. The roles of the Chairman and the Managing Director have been clearly segregated to ensure a check and balance of power and authority.

Subsequent to year 2007, Mr. Tan Kean Huat was appointed as an Executive Director of the Company on February 1, 2008 and Mr. Hew Tien Shoong has resigned as the Independent Non-Executive Director on May 1, 2008. From May 1, 2008, the Board has seven (7) members, comprising five (5) Executive Directors and two (2) Independent Non-Executive Directors.

A brief profile of each Director is presented on pages 10 to 13 in this Annual Report.

The Board had designated Yg Bhg Jen (B) Tan Sri Yaacob bin Mat Zain as the senior Independent Non-Executive Director in the Board, to whom any concerns may be conveyed.

Corporate Governance Statement



Board Committees

The Board had established various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Executive Management Committee, Risk Management Committee and Employee Shares Option Committee to assist the Board in managing the Group's businesses activities. All Committees are required to report to the Board. Each committee has its written terms of reference in stipulating the responsibilities.

Board Meetings

The Board meets at least 4 times each year, with additional meetings convened on ad hoc basis as and when necessary.

Numbers and attendance of every member in the Board and its Committees meetings which were held during the year ended December 31, 2007 are reflected as follows:-

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Jen (B) Tan Sri Yaacob Bin Mat Zain	5/5	5/5	2/2	1/1
Dato' Kong Hon Kong	5/5	-	2/2	-
Lee Ah Kong	5/5	-	-	-
Kong Yew Foong	4/5	-	-	-
Soo Wei Chian	5/5	5/5	-	-
Mohamed Taib Bin Mahmood	5/5	5/5	2/2	1/1
Hew Tien Shoong <i>(Resigned on May 1, 2008)</i>	4/4	-	-	-
Tan Kean Huat <i>(appointed with effect from February 1, 2008)</i>	N/A	N/A	N/A	N/A

N/A = not applicable

Appointment to the Board

The Nomination Committee is responsible for evaluating and assessing the suitability of the selected candidate for Board membership. In making these recommendations, the Nomination Committee will review the selected candidate's qualifications and working experience before recommending to the Board for approval.

Re-Election of Directors

In accordance with the Company's Articles of Association, at least one-third of the Directors, including Managing Director, are subject to retirement by rotation at each annual general meeting, but shall be eligible for re-election. Directors who are appointed during the year will have to retire and have to seek for re-election at the next annual general meeting.

Corporate Governance Statement

Pursuant to Section 129(6) of Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every Annual General Meeting but may offer themselves for re-appointment to hold office until the next Annual General Meeting.

Directors' Training

All Directors had completed the Mandatory Accreditation Programme ("MAP") and had participated and benefited from numerous seminars, conferences and briefing on areas pertinent to the enhancement of their roles and responsibilities as Director during the year.

Mr. Tan Kean Huat, a newly appointed Director on February 1, 2008 had completed the MAP in April 2008.

The Directors will continue to attend other relevant training programmes and seminars from time to time in order to keep abreast with the latest developments in the business environment, new regulatory and statutory requirements or corporate governance developments which would further enhance their skills and knowledge in the discharge of their duties and obligations effectively and diligently.

Supply of information

In exercising their duties, the Directors have direct access to all information within the Group in a timely manner, and to make enquiries whenever deemed necessary. All Directors are provided with agenda and a set of Board papers prior to each Board meeting to ensure that they can appreciate the issues deliberated where necessary and to obtain further explanation when appropriate, for decision reached. The Board papers provided, amongst others, issues covering the areas of Group's financial performance, major operation and corporate development, risk management, changes in substantial shareholders, and other operational and regulatory compliance matters. The Board will also peruse the decision and the salient issues deliberated by the Audit Committee through the minutes which were circulated together with the Board papers.

Additionally, the Board will be notified of any corporate announcements to be released to the public through Bursa Securities and will be kept informed of any statutory requirements or updates issued by the various regulatory authorities from time to time.

The Board had also approved an agreed procedure for Directors, whether as a full Board or in their individual capacity, to seek for an independent professional advice from the external consultants at the company's expenses, when discharging their duties and responsibilities.

All Directors were vested with the rights and unlimited access to the advice and services of the senior management and Company Secretary.

Corporate Governance Statement



DIRECTORS' REMUNERATION

Remuneration Committee

The Company has adopted the principle recommended in the Code whereby the level of remuneration of Directors is sufficient to attract, retain and motivate the Directors with relevant expertise and experience to manage the Group successfully. The Remuneration Committee is responsible for recommending to the Board remuneration framework for Directors as well as the remuneration packages of the Executive Directors.

The remuneration system is structured to link rewards to corporate and individual performance, seniority, experience and scope of responsibility in the case of Executive Directors.

In the case of Non-Executive Directors, the level of remuneration shall reflect the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Directors concerned.

Detail of the Directors' Remuneration

The details for the Directors' remuneration received/receivable from the Company or subsidiary during the financial year ended December 31, 2007 are appended as follows:-

Aggregate remuneration of Directors categorized into appropriate components:

	Executive Directors RM	Non-Executive Directors RM
Directors' Fees	105,000	114,000
Salaries	1,205,196	-
Bonuses	152,933	-
Benefit-in kind	85,576	-
Other emoluments/allowances	36,000	12,500
Total	1,584,705	126,500

Corporate Governance Statement

The number of Directors of the Company whose total remuneration fall within the following bands for the financial year ended December 31, 2007 are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	2
RM50,001 – RM100,000	-	1
RM100,001 – RM200,000	1	-
RM200,001 – RM300,000	2	-
RM300,001 – RM850,000	1	-
Total number of Directors	4	3

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

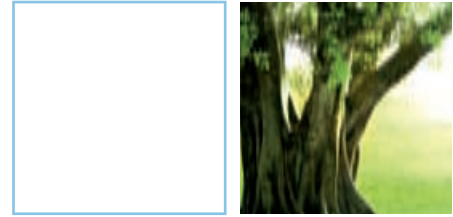
Maintaining accountability to the investors and the shareholders is the paramount concern to the Company. Through proper communication like announcements made to Bursa Securities including the quarterly financial results, press release and press conference which provide a comprehensive overview of the Group's performance which the investors, the shareholders and the general public alike are interested to know.

The Company's Annual General Meeting ("AGM") is the principal forum for having the dialogues with the shareholders, gathering views and answering questions on all issues relevant to the Group's business activities and prospects. The shareholders are given an opportunity to raise questions on any item in the agenda or the Group's operation in general.

Notice of AGM together with the annual report are 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.

The Group had already established a corporate website at www.nvmc.com.my for the shareholders and the public to access for the related information including the Group's profile, corporate information, products and services and the events updates.

Corporate Governance Statement



ACCOUNTABILITY AND AUDIT

Financial Reporting

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

Internal Control

A Statement on the Internal Control of the Company was printed on page 30 to 32 of this Annual Report which contained the status report on internal control within the Group.

Relationship with External Auditors

The Board via the Audit Committee, maintains a formal and transparent relationship with the Group's internal as well as the external auditors. The auditors shall from time to time highlight to the Audit Committee and the Board on matters that warrant the Board's attention and decision.

DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

In compliance with the Companies Act, 1965, the Directors shall prepare the financial statements for each financial year in pursuant to the statutory requirements and accounting standards which in the Group's fair view declared it to be true and accurate report.

In preparing the financial statements, the Directors had:-

- selected appropriate accounting policies and applied them consistently
- made prudent judgments and reasonable estimates
- duly complied with the applicable accounting standards in Malaysia
- prepared the financial statements on the going concern basis

The Board is responsible for ensuring that the Company maintains a proper accounting records which disclose with reasonable accuracy the financial positions of the Group so as to give a true and fair view on the state of affairs of the Group as at December 31, 2007.

The Directors are also entrusted with the duty to safeguard the assets of the Group besides having to take reasonable steps in detecting and preventing fraud or other malpractices.

Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY

The Group will always endeavor to discharge its Corporate Social Responsibility (“CSR”) diligently to the community, the environment, its employees, the shareholders and other stakeholders alike.

THE COMMUNITY

The core objective of the Group’s bereavement care activities hinges passionately on the advocate and promotion of the filial piety value amongst the Chinese community. Hence NV Multi in its efforts to promote this objective seeks to educate the affluent society on the great need of filial piety value and to inculcate this moral responsibility by conducting and sponsoring various related seminars and talks.

Whilst pursuing towards improved profitability, the Group and its staff will throughout the year continue to participate actively in community projects and support including the provision of financial assistance as well as the staff’s voluntary service to assist in such community projects. The Group will continue in its contributions or donations to various welfare organizations, charitable activities and other worthy causes and pledges to continue on this noble act in the future. In 2006, the Group had initiated the set-up of a charitable body named as NV Foundation which serves as the platform to the Group’s future charitable endeavors and undertakings.

Last year, the Group had completed a columbarium in Nirvana Memorial Park, Semenyih, for the charitable cause to meet the bereavement needs of the deserving and the poor community. In addition, the Group is now in the process of constructing various blocks of niches in its other memorial parks for the same noble purpose.

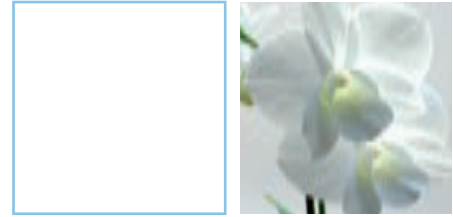
The Group pledges that it will continue on its CSR initiatives benefiting the community at all times.

THE ENVIRONMENT

The Group is conscious of its environmental responsibilities and shall continuously strive to improve the environmental performance of its memorial parks and service centres. As such, the following measures were adopted in order to achieve these objectives:-

- (i) Our memorial parks are being landscaped with lush greeneries and flowering plants. This provides a green house effect which helps in enhancing and promoting a better and healthier environment. In addition, the memorial parks provide a tranquil environment for visitors to cherish the fond memories of their departed family members, friends or their loved ones.
- (ii) Replacing the use of joss-sticks with the use of natural flowers during the praying ceremony in the parlors helps to eliminate the smoke emission in these parlors.

Corporate Social Responsibility



THE WORKPLACE AND HEALTH AWARENESS

Being a responsible corporate citizen, the Group undertakes to provide its employees a quality, healthy and safe working environment for its employees by setting up an Occupational Safety and Health Committee that oversee these needs for the organization. A safety and health policy was drafted in compliance with the safety guidelines and health regulation of the Occupational Safety and Health Act 1994. Talks on health and safety issues were conducted in order to disseminate vital information to all staff on these related topics from time to time.

In conjunction with the promotion of health awareness program to its employees, the Group had also organized various breakfast health talks for its employees throughout the year and shall continue to do so to promote on a healthy lifestyle for its employees.

THE EMPLOYEES

The Group recognizes that employees provide a vital support role in the successful growth of the Group's businesses. During the year, the Group had implemented the Employees Share Option Scheme (ESOS) to its employees of all levels. This is an important initiative aimed in aligning management interests to those of shareholders and the retention of key personnels and staff alike and this would result in more than 90% of the Group's employees to obtain equity shares in the Group's business.

The Group is also committed in providing the necessary training to its employees in enhancing their personal knowledge particularly the program that is focusing on the key areas of the Group's business. Hence in 2007, the Group set up NV School of Management which emphasizes on the staff development, self-analysis and career management to enable its employees to acquire the requisite skills for their career advancement and personal growth.

The Group shall continue to strengthen in its caring attitude and reward initiatives to its employees by the continuous implementation of :-

- the offering of career growth opportunities to its employees.
- the continuous provision of internal and external trainings aiming to enhance the employees' self-development and skills that are relevant to their respective designated tasks.
- the recognition of an employee's loyalty vide the long service award presented in the Group's staff annual dinner event.
- the recognition of extra-ordinary services or performance with incentives or awards.

The Group pledges that it will continue to strengthen its efforts to enhance its caring and reward initiatives towards its employees as part of its goal towards organizational excellence.

Internal Control Statement

Pursuant to paragraph 15.27 (b) of the Listing Requirement of Bursa Malaysia Securities Berhad, the Board of Directors (Board) is pleased to provide the following statement that outlines the state of the internal controls of the Group.

RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal control. This includes reviewing the adequacy of its financial and operational controls and risk management procedures. The Board also recognizes that internal control measures are designed to manage, rather than eliminate the risk of failure to achieve its business objectives. There can only be reasonable but not absolute assurance against material misstatements or loss.

The Group has in place an ongoing process for identifying, evaluating, monitoring, controlling and managing the significant risks affecting the achievement of the group's business objectives. This process is regularly reviewed by the Board and accords with the Statement of Internal Control Guidance for Directors of Public Companies.

The Board is also assisted by the Management Team in the implementation of the policies and procedures on risk and control measure by identifying and assessing the risks coupled with the suitable internal operational and monitoring controls to mitigate these risks.

KEY INTERNAL CONTROL PROCESS

The key elements for the Group's internal control system that are regularly reviewed by the Board are described as follows :-

- The Group has its clear Group organizational structure with defined lines of responsibilities, accountability, delegation of authority, segregation of duties and information flow for all aspects of the business.
- The Group has in place documented internal policies and procedure manuals that are regularly reviewed and updated to reflect all essential elements necessitated by changes in the legislation, industry best practices, risks or to resolve operational deficiencies.
- The Board had established the Limit of Authorities that defined the authorization limits for managers at all levels in approving various transactions for its Group and business operating units. These limits are subject to regular review and periodical update to meet the operational and structural changes and needs.
- There is a comprehensive budgeting process for all operation units with periodical monitoring of performance so that major variances are followed up and necessary management actions are immediately adopted.
- Regular management and business operating units meeting are conducted to review financial performance, business development and deliberation on management and corporate issues.

Internal Control Statement



- Training and development programmes were conducted on a regular basis to enhance staff's competencies and skills to enable them to discharge their responsibilities diligently towards achieving the Group's objectives.
- The Internal Audit independently reviews the control processes implemented by the management, and reports to the Audit Committee on quarterly basis. The Internal Audit provides assurance over the operation and validity of the system of the internal control in the Group.
- As part of the requirements of the ISO 9001:2000 certification, scheduled audits are conducted internally as well as by the external auditors from BM Trada. Results of audits are reported to the Quality Management Committee. Any pertinent or unresolved issues arising out of these audits are forwarded to the Board for further deliberation and action.
- There are regular visits by members of the Board, senior management staff and internal auditors to the principal offices and site offices at the different locations to review the Group's operational activities thereby gaining a better understanding in order to reach an informed decision making.

The Board reiterates that the development and establishment of the internal control system is an ongoing process and will always endeavor to pursue on.

RISK MANAGEMENT FRAMEWORK

The Board is committed to ensure an ongoing process of identifying, evaluating, monitoring, managing and controlling any significant risk exposures that is inherent in the business operations.

Major business risks and their possible impact are evaluated by the management and staff in their respective areas of responsibilities. The Board based on the presented operation and financial report will deliberate its decision in the Board meetings.

The Group had assessed and evaluated the risk implications in relation to both existing and proposed business activities, systems and procedures. All risks identified shall be assessed and documented, together with the control measures in mitigating those identified risks.

There are series of options available in accepting, mitigating, spreading, transferring and avoiding any identified risk. The option in the implementation of an appropriate action in tackling the risk is the responsibility of the Risk Owner but subject to Risk Management Committee endorsement.

A quarterly report on the risk profiles for each operating unit within the Group was duly prepared. A risk management committee had reviewed the Company's risks and subsequently had presented its report with recommendations made to the Audit Committee for consideration and deliberation. The Audit Committee will in turn highlight any strategic risks issues to the attention of the Board.

Internal Control Statement

INTERNAL AUDIT

The Board and Audit Committee are assisted by the in-house Internal Audit Department. The main role of the department is to undertake independent, regular and systematic reviews of the internal control system with reasonable assurance that such system is capable of yielding effective and satisfactory result.

The Internal Audit carries out its duties according to the Annual Audit Plan that is reviewed and approved by the Audit Committee. Any area of concern which requires further improvement as highlighted in the audit report will be discussed in the Audit Committee meetings.

The Board believes that the internal control system in the Group is adequate and functionally effective with no significant problems noted during the period under review.

The Group will endeavor to improve and enhance the existing internal control system to cater for the changing business environment and keep abreast with the latest development and trend.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Internal Control Statement for the inclusion in this 2007 annual report.

Audit Committee Report

Chairman of Audit Committee:

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

Members:

Mohamed Taib Bin Mahmood (Independent Non-Executive Director)
Soo Wei Chian (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; or
- fulfils such other requirements as prescribed by the Exchange.

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

No alternate director shall be appointed as an Audit Committee member.

QUORUM

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

Audit Committee Report

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 Company Secretary shall be the Secretary of 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 ended December 31, 2007.

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

<u>Members</u>	<u>Attendance</u>
Jen (B) Tan Sri Yaacob Bin Mat Zain (Chairman)	5/5
Mohamed Taib Bin Mahmood	5/5
Soo Wei Chian	5/5

AUTHORITY

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

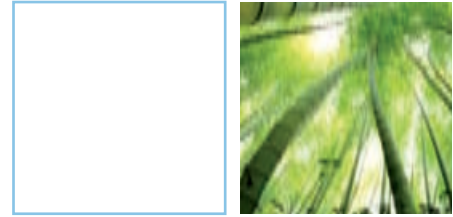
The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

FUNCTIONS

The duties of the Committee shall be:-

- To consider and review the appointment of the external auditor, audit fees and any question pertaining to 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;

Audit Committee Report



- 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 applicable approved accounting standards;
 - compliance with the Bursa Securities' and legal requirements; and
 - any related party's 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, to consider the major findings of internal audit investigations and management's response, and to ensure the 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 mutually agreed upon between the Audit Committee and the Board of Directors.

MINUTES

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

SUMMARY OF ACTIVITIES

The followings were the Committee's current year activities:-

Audit Committee Report

Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group and recommended to the Board for approval and adoption prior to an announcement made to the Bursa Securities.
- Reviewed the annual audited financial statements for the financial year ended December 31, 2006 for the Group prior to the submission made to the Board for their consideration and approval.
- Reviewed the Company's regulatory compliance, particularly 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.

Internal Audit

- Reviewed the internal audit reports, audit recommendations and the management's responses. Improvement activities in the areas of internal control, systems and efficiency enhancement suggested by the internal auditors.
- Reviewed the internal audit plan for the financial year and the annual assessment of the Internal Auditors' performance.
- Reviewed and monitored the effectiveness of the Company's internal audit functions.

External Audit

- Reviewed the external auditors' scope of work and their audit plan.
- Reviewed with the external auditors' internal control recommendations in respect of control weaknesses noted in the course of their audit.

Others

- Reviewed and approved the Audit Committee Report, Corporate Governance and Internal Audit Statements.
- Reviewed the Risk Management Reports of the Group.

Financial Statements

38

Directors'
Report

44

Report of the
Auditors

46

Income
Statements



47

Balance
Sheets

49

Statements of
Changes in Equity



51

Cash Flow
Statements



53

Notes to the
Financial
Statements

104

Statement
by Directors

104

Declaration by
the Officer

105

Analysis of
Shareholdings

109

List of Properties

111

Share Buy-Back
Statement



Directors' Report

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, 2007.

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 16.

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	24,107	25,830
Income tax expense	(7,389)	(6,750)
Net profit for the year	16,718	19,080
Attributable to:		
Equity holders of the Company	16,120	19,080
Minority interests	598	-
	16,718	19,080

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report

DIVIDENDS

Dividends paid and declared by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended December 31, 2006:	
A first and final dividend of 13% less 27% tax was paid on July 17, 2007	8,116

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended December 31, 2007, of 12% less 26% tax on 342,090,000 ordinary shares of RM0.25 each amounting to a dividend payable of approximately RM7,594,398 will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending December 31, 2008.

ISSUE OF SHARES AND DEBENTURES

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

SHARE BUY BACK

The Company did not purchase its own shares during the financial year.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on June 26, 2007 for eligible directors and employees of the Company and its subsidiary companies up to fifteen percent (15%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.

As at the end of the financial year ended December 31, 2007, the Company has not granted any options for the benefit of eligible directors and employees of the Company and its subsidiary companies. The ESOS was implemented on February 5, 2008 and is to be in force for a period of five years from the date of implementation.

Directors' Report

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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

Significant event during the financial year and subsequent events are disclosed in Notes 39 and 40 to the Financial Statements respectively.

DIRECTORS

The Directors of the Company in office since the date of the last report and at the date of this report are:

Jen (B) Tan Sri Yaacob bin Mat Zain
Dato' Kong Hon Kong
Lee Ah Kong
Kong Yew Foong
Soo Wei Chian
Tan Kean Huat (appointed on 1.2.2008)
Mohamed Taib bin Mahmood
Hew Tien Shoong

In accordance with Article 78 of the Company's Articles of Association, Messrs. Kong Yew Foong and Soo Wei Chian retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

Mr. Tan Kean Huat who was appointed to the Board after the last Annual General Meeting, retires under Article 85 of the Company's Articles of Association and, being eligible, offers himself 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' Report

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 amount of emoluments received or due and receivable by the Directors 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.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in the Company or of 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 during the financial year are as follows:-

	Number of ordinary shares of RM0.25 each			
	As at 1.1.2007	Bought	Sold	As at 31.12.2007
Direct Interest				
Dato' Kong Hon Kong	2,507,400	-	-	2,507,400
Lee Ah Kong	294,900	-	(294,900)	-
Soo Wei Chian	60,008	-	-	60,008
Hew Tien Shoong	4,753,400	-	(3,500,000)	1,253,400

	Number of ordinary shares of RM0.25 each			
	As at 1.1.2007/ 15.8.2007*	Bought	Sold	As at 31.12.2007
Indirect Interest				
Tan Sri Yaacob bin Mat Zain	50,000**	-	-	50,000**
Dato' Kong Hon Kong	77,892,536	24,000,000	-	101,892,536
Kong Yew Foong	-	24,000,000	-	24,000,000

* Section 134(12)(c) of the Companies Act, 1965 which took effect on August 15, 2007 defines the interests of a director in shares and debentures of a company to include the interest of the spouse and children of the director in shares and debentures of that company

** Deemed interest by virtue of his spouse's shareholding in the Company

Directors' Report

DIRECTORS' INTERESTS (cont'd)

Dato' Kong Hon Kong and Mr Kong Yew Foong, by virtue of their interest in the shares of the Company, and pursuant to Section 6A(4)(c) of the Companies Act, 1965 are deemed to have interest in the shares of all the subsidiary companies to the extent that the Company has 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.

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, 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.

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.

Directors' Report

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors:

- (i) 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, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (ii) no item, transaction event of a material and unusual nature has arisen in the interval between the end of financial year and the date of this report which is likely to affect substantially the result of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

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

)
)
)
)
)
)
)
)
)
)

DATO' KONG HON KONG

) Directors
)
)
)
)
)
)
)

SOO WEI CHIAN

)
)
)
)

KUALA LUMPUR
DATE: APRIL 26, 2008

Report of the Auditors

to the members of NV Multi Corporation Berhad

We have audited the accompanying balance sheets as of December 31, 2007 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 Malaysian Accounting Standards Board approved accounting standards 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, 2007 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 16 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.

Report of the Auditors

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
1717/08/09 (J)
Partner

April 26, 2008

Income Statements

for the year ended December 31, 2007

	Notes	The Group		The Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	6	142,394	134,405	32,805	31,850
Cost of sales		(51,657)	(50,554)	-	-
Gross profit		90,737	83,851	32,805	31,850
Other income		3,078	909	3,721	9,664
Selling and distribution expenses		(35,191)	(29,009)	-	-
Administrative and other operating expenses		(32,909)	(31,638)	(8,986)	(9,683)
Profit from operations	9	25,715	24,113	27,540	31,831
Finance costs	10	(2,136)	(2,489)	(1,995)	(1,995)
Share of loss of an associated company		(57)	(127)	-	-
Income from other investments	11	585	472	285	267
Profit before tax		24,107	21,969	25,830	30,103
Income tax expense	12	(7,389)	(5,824)	(6,750)	(6,242)
Net profit for the year		16,718	16,145	19,080	23,861
Attributable to:					
Equity holders of the Company		16,120	15,181	19,080	23,861
Minority interests		598	964	-	-
		16,718	16,145	19,080	23,861
Earnings per share attributable to equity holders of the Company :					
Basic (sen)	13	4.71	4.51		

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

Balance Sheets

as of December 31, 2007

	Notes	The Group		The Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	14	40,173	42,435	393	432
Prepaid lease payments	15	2,101	2,135	-	-
Investment in subsidiary companies	16	-	-	15,330	13,411
Investment in an associated company	17	1,700	674	1,700	801
Other investments	18	211	211	211	211
Sinking fund	19	35,351	26,832	-	-
Deferred acquisition cost	20	21,170	18,327	-	-
Trade receivables	21	7,475	4,460	-	-
Pre-need funeral contract receivables	22	1,074	254	-	-
Deferred tax assets	24	14,527	14,008	-	-
Goodwill arising on consolidation	25	8,279	6,744	-	-
Total Non-current Assets		132,061	116,080	17,634	14,855
Current Assets					
Inventories and development expenditure	26	194,984	181,934	-	-
Trade and other receivables	21	73,950	68,647	340	466
Pre-need funeral contract receivables	22	6,861	15,189	-	-
Amount owing by subsidiary companies	23	-	-	148,523	134,728
Cash and bank balances	27	33,737	26,966	5,772	11,291
Total Current Assets		309,532	292,736	154,635	146,485
Total Assets		441,593	408,816	172,269	161,340

Balance Sheets

	Notes	The Group		The Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	28	85,523	85,523	85,523	85,523
Reserves	29	92,704	84,907	50,246	39,282
Equity attributable to equity holders of the Company					
		178,227	170,430	135,769	124,805
Minority interests		5,903	5,422	-	-
Total Equity		184,130	175,852	135,769	124,805
Non-current and Deferred Liabilities					
Hire-purchase and lease payables	30	1,235	1,745	-	-
Medium Term Notes	31	35,000	35,000	35,000	35,000
Deferred pre-need funeral contract revenue	32	111,543	101,961	-	-
Deferred tax liabilities	24	2,496	2,642	-	-
Total Non-current and Deferred Liabilities		150,274	141,348	35,000	35,000
Current Liabilities					
Trade and other payables	33	102,934	84,120	1,220	1,377
Amount owing to subsidiary companies	23	-	-	156	156
Hire-purchase and lease payables	30	772	764	-	-
Borrowings	34	-	3,530	-	-
Tax liabilities		3,483	3,202	124	2
Total Current Liabilities		107,189	91,616	1,500	1,535
Total Liabilities		257,463	232,964	36,500	36,535
Total Equity and Liabilities		441,593	408,816	172,269	161,340

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

Statements of Changes In Equity

for the year ended December 31, 2007

The Group	← Attributable to equity holders of the Company →									
	← Non-distributable Reserves →					→ Distributable				
	Share Capital	Share Premium	Revaluation Reserve	Currency	Capital	Reserve	Treasury Shares	Total	Minority Interests	Total Equity
				Translation Reserve	Redemption Reserve	Retained Earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As of January 1, 2006	85,523	-	7,842	119	1,582	67,080	(6,011)	156,135	4,527	160,662
Net income recognised directly in equity										
- currency translation differences	-	-	-	168	-	-	-	168	50	218
Net profit for the year	-	-	-	-	-	15,181	-	15,181	964	16,145
Total recognised income and expenses for the year	-	-	-	168	-	15,181	-	15,349	1,014	16,363
Acquisition of shares in subsidiary companies	-	-	-	-	-	-	-	-	2	2
Dilution of interest in a subsidiary company	-	-	-	-	-	-	-	-	3	3
Dividend paid by a subsidiary company to minority shareholder	-	-	-	-	-	-	-	-	(124)	(124)
Dividend paid (Note 35)	-	-	-	-	-	(7,104)	-	(7,104)	-	(7,104)
Sale of treasury shares (Note 28)	-	39	-	-	-	-	6,011	6,050	-	6,050
As of December 31, 2006	85,523	39	7,842	287	1,582	75,157	-	170,430	5,422	175,852

Statements of Changes In Equity

The Group	Attributable to equity holders of the Company								Total Equity RM'000
	Non-distributable Reserves				Distributable			Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Capital Redemption Reserve RM'000	Reserve Retained Earnings RM'000	Total RM'000		
As of January 1, 2007	85,523	39	7,842	287	1,582	75,157	170,430	5,422	175,852
Net income recognised directly in equity									
- currency translation differences	-	-	-	(207)	-	-	(207)	(207)	(414)
Net profit for the year	-	-	-	-	-	16,120	16,120	598	16,718
Total recognised income and expenses for the year	-	-	-	(207)	-	16,120	15,913	391	16,304
Subscription/Acquisition of shares in subsidiary companies	-	-	-	-	-	-	-	91	91
Additional acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	(1)	(1)
Dividend paid (Note 35)	-	-	-	-	-	(8,116)	(8,116)	-	(8,116)
As of December 31, 2007	85,523	39	7,842	80	1,582	83,161	178,227	5,903	184,130

The Company	Non-distributable Reserves				Distributable		Treasury Shares RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Capital Redemption Reserve RM'000	Reserve Retained Earnings RM'000			
As of January 1, 2006								
As previously reported	85,523	-	4,769	1,582	63,204	(6,011)	149,067	
Effect of adopting FRS 127	-	-	(4,769)	-	(42,300)	-	(47,069)	
As restated	85,523	-	-	1,582	20,904	(6,011)	101,998	
Net profit for the year	-	-	-	-	23,861	-	23,861	
Dividend paid (Note 35)	-	-	-	-	(7,104)	-	(7,104)	
Sale of treasury shares (Note 28)	-	39	-	-	-	6,011	6,050	
As of December 31, 2006	85,523	39	-	1,582	37,661	-	124,805	
As of January 1, 2007								
As previously reported	85,523	39	4,769	1,582	79,961	-	171,874	
Effect of adopting FRS 127	-	-	(4,769)	-	(42,300)	-	(47,069)	
As restated	85,523	39	-	1,582	37,661	-	124,805	
Net profit for the year	-	-	-	-	19,080	-	19,080	
Dividend paid (Note 35)	-	-	-	-	(8,116)	-	(8,116)	
As of December 31, 2007	85,523	39	-	1,582	48,625	-	135,769	

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

Cash Flow Statements

for the year ended December 31, 2007

Notes	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM/(USED IN)				
OPERATING ACTIVITIES				
Profit before tax	24,107	21,969	25,830	30,103
Adjustments for:				
Depreciation of property, plant and equipment	4,156	4,364	141	160
Amortisation of prepaid lease payments	34	34	-	-
Share of loss of an associated company	57	127	-	-
Bad debts written off	-	11	-	-
Property, plant and equipment written off	2	5	-	-
Interest expense	2,136	2,489	1,995	1,995
Interest income	(723)	(688)	(3,105)	(2,612)
(Gain)/Loss on disposal of:				
Property, plant and equipment (net)	(71)	(534)	1	-
Land held for development	-	(276)	-	-
Associated company	(1,083)	-	(899)	-
Other investment	-	(1)	-	(1)
Gross dividend income from subsidiary companies	-	-	(22,916)	(21,198)
Operating Profit Before Working Capital Changes	28,615	27,500	1,047	8,447
(Increase)/Decrease in:				
Inventories and development expenditure	(13,050)	(21,919)	-	-
Trade and other receivables	(11,802)	(25,025)	126	(55)
Increase/(Decrease) in:				
Trade and other payables	28,396	36,712	(157)	22
Cash Generated From Operations	32,159	17,268	1,016	8,414
Interest paid	(2,136)	(2,489)	(1,995)	(1,995)
Income tax paid - net	(8,143)	(8,941)	(441)	(275)
Net Cash From/(Used in) Operating Activities	21,880	5,838	(1,420)	6,144

Cash Flow Statements

	Notes	The Group		The Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		151	5,006	1	-
Interest received		723	688	3,105	2,612
Proceeds from disposal of other investment		-	18	-	18
Additional investment in subsidiary companies	16	-	-	(1,919)	-
Acquisition of subsidiary companies	16	(1,535)	2	-	-
Dividend received		-	-	16,729	15,263
Additions to property, plant and equipment		(1,949)	(2,941)	(104)	(118)
Additions to prepaid lease payments		-	(5)	-	-
Advances to subsidiary companies		-	-	(13,795)	(17,131)
Investment in an associated Company		-	(801)	-	(801)
Net Cash (Used In)/Generated From Investing Activities		(2,610)	1,967	4,017	(157)
CASH FLOWS FROM/(USED IN)					
FINANCING ACTIVITIES					
Proceeds from sale of treasury shares		-	6,050	-	6,050
Proceeds from shares issued to minority shareholders of subsidiary companies		91	2	-	-
Dividend paid		(8,116)	(7,104)	(8,116)	(7,104)
Repayment of borrowings		(3,530)	(3,682)	-	-
Repayment of hire-purchase and lease payables		(638)	(708)	-	-
Net Cash Used In Financing Activities		(12,193)	(5,442)	(8,116)	(1,054)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,077	2,363	(5,519)	4,933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		26,966	24,774	11,291	6,358
Effect of exchange differences		(306)	(171)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	27	33,737	26,966	5,772	11,291

Note: During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of RM2,085,026 (2006: RM3,933,520) of which RM136,332 (2006: RM992,000) was acquired under hire-purchase and lease arrangements. Cash payments for the acquisition of property, plant and equipment amounted to RM1,948,694 (2006: RM2,941,520).

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 16.

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 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 26, 2008.

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 Standards Board ("MASB") approved accounting standards in Malaysia.

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

3. CHANGES IN ACCOUNTING POLICIES RESULTING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs")

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year except for the adoption of the new FRSs issued by MASB that are effective for the financial periods commencing on January 1, 2007 and relevant to the Group's and the Company's operation which are as follows:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of these new and revised FRSs does not result in significant changes in the accounting policies of the Group and of the Company and has no significant financial effect on the financial statements of the Group and of the Company in the current and prior years except as set out below.

Notes to the Financial Statements

3. CHANGES IN ACCOUNTING POLICIES RESULTING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (“FRSs”) (cont’d)

(i) FRS 117 Leases

In prior years, the leasehold interest in land held for own use were classified as property, plant and equipment and were stated at cost less accumulated depreciation and any impairment losses.

With the adoption of FRS 117 on January 1, 2007, the leasehold interests in land are now accounted for as operating leases and are reclassified as prepaid lease payments and amortised on a straight line basis over the lease term of 30 years as disclosed in Note 15. There is no impact on the income statements for the current and prior financial years.

As a result of the adoption of FRS 117, comparative amounts as of December 31, 2006 have been reclassified as follows:

The Group	As previously reported RM’000	Adoption of FRS 117 RM’000	As restated RM’000
As of January 1, 2006			
Property, plant and equipment (Note 14)	47,990	(2,164)	45,826
Prepaid lease payments (Note 15)	-	2,164	2,164
As of December 31, 2006			
Property, plant and equipment (Note 14)	44,570	(2,135)	42,435
Prepaid lease payments (Note 15)	-	2,135	2,135

The change has no financial impact on the income statements in the current year.

(ii) FRS 124 Related Party Disclosures

This FRS requires disclosure of related party transactions and outstanding balances in the separate financial statements of a parent, venturer or investor presented in accordance with FRS 127 Consolidated and Separate Financial Statements. Related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group. This FRS also requires disclosure of the compensation of key management personnel as disclosed in Note 41.

Notes to the Financial Statements

3. CHANGES IN ACCOUNTING POLICIES RESULTING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (“FRSs”) (cont’d)

(iii) FRS 127 Consolidated and Separate Financial Statements

Prior to January 1, 2007, the investment in certain subsidiary companies of the Company was stated at valuation in the separate financial statements of the Company. 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 29(a).

In accordance with the provision of FRS 127, investment in subsidiary companies is now stated at cost less impairment losses. The adoption of the basis of measurement of FRS 127 has resulted in a prior year adjustment in the separate financial statements of the Company and the effects are as follows:

The Company	As previously reported RM'000	Adoption of FRS 127 RM'000	As restated RM'000
As of January 1, 2006			
Investment in subsidiary companies (Note 16)	60,480	(47,069)	13,411
Revaluation reserve (Note 29(a))	4,769	(4,769)	-
Retained earnings (Note 29(c))	63,204	(42,300)	20,904
As of December 31, 2006			
Investment in subsidiary companies (Note 16)	60,480	(47,069)	13,411
Revaluation reserve (Note 29(a))	4,769	(4,769)	-
Retained earnings (Note 29(c))	79,961	(42,300)	37,661

The change has no financial impact on the income statements in the current year.

Notes to the Financial Statements

3. CHANGES IN ACCOUNTING POLICIES RESULTING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (“FRSs”) (cont’d)

Accounting Standards and Amendments to FRSs Issued But Not Yet Effective

The Group has not elected for early adoption of the following new and revised FRSs and Amendment to FRS relevant to the Group’s operations which have been issued but not yet effective for the Group at the date of issue of the financial statements:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, which are described in Note 5, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements

5. 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.

(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, 2007. 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.

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 statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

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 interests in the net assets (excluding goodwill) of consolidated subsidiary companies are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary companies' equity are allocated against the interests of the Group.

The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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, liabilities and contingent liabilities of the business combination at the date of acquisition. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

On the disposal of an entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

The Group's policy for goodwill arising on acquisition of an associated company is stated in (f) below.

(d) Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units which are business units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(e) Investments

In prior years, investment in unquoted shares of subsidiary companies was stated in the Company's balance sheet at cost/valuation less impairment losses. Following the adoption of the basis of measurement of FRS 127, Consolidated and Separate Financial Statements, all investment in unquoted shares of subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost and the effect of the changes in accounting policy are disclosed in Note 3(iii). When there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Associated Company

An associated company is defined as a company, not being a subsidiary or a joint venture, in which the Group is in the position to exercise significant influence over its financial and operating policies through management participation. An investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for in accordance with FRS 5.

Under the equity method, investment in associated company is carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated company, less any impairment in the value of the investment. Losses of an associated company in excess of the Group's interest in the associated company (which includes any long-term interest that, in substance, form part of the Group's net investment in the associated company) is not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in income statements.

Where a group entity transacts with an associated company of the Group, profit or loss is eliminated to the extent of the Group's interest in the relevant associated company.

The results and reserves of the associated company is taken from the latest available audited or management financial statements made up to December 31, 2007.

The investment in associated company is stated at cost less impairment losses in the financial statements of the Company.

(g) Other Investments

Other investments are shown at cost less impairment loss, if any.

(h) 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

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) 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 sinking fund (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 the sinking fund 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 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 the 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 the sinking fund. Associated deferred acquisition costs are expensed, and the actual expenses incurred in delivering the products and services are recognised.

(j) Property, Plant and Equipment

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

Short leasehold building is amortised over the term of the lease.

Depreciation of the property, plant and equipment 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:

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Property, Plant and Equipment (cont'd)

Short leasehold building	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 renovations	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.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

(k) 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 outstanding amount payable by the Group to the trustee to meet the sinking fund requirements as at year-end is included as sinking fund payable in the financial statements.

(l) 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 under development 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.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) 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.

(n) 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.

(o) 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.

(p) 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 statements. 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.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Leased and Hire-Purchase Assets (cont'd)

Leasehold land held for own use is classified as an operating lease and the up-front payments represent prepaid lease payments disclosed as prepaid lease payments (non-current asset). These up-front payments are amortised over the lease term in accordance with the pattern of benefits provided.

(q) 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.

When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external cost and the related tax effects, is recognised in equity.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income, if any, earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

All other borrowing costs are recognised in income statements in the period in which they are incurred.

(s) 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.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Income Taxes (cont'd)

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 the amount of any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

(t) Revenue Recognition

Revenue from bereavement care is recognised on the following bases:

- (i) Sales of burial plots and urn compartments are recognised on accrual basis, provided the contract is signed by the customer, a significant deposit of the invoice value is received, and the product is ready for delivery to the buyer;
- (ii) Sales of tombs are recognised upon significant completion of each contract;
- (iii) Sales of funeral packages is recognised when the funeral is performed and the products and services are delivered as described in Note 5 (i); and
- (iv) 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.

(u) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Foreign Currencies (cont'd)

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

(iii) 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. Exchange differences arising are taken to currency translation reserve under shareholders' equity. Such exchange differences, if any, are recognised in the income statements in the period in which the operations are disposed of.

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

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) 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 such contributions are charged to the income statements in the period to which the said contributions 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.

(w) Impairment of Assets Other Than Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. All impairment losses and reversals of impairment losses are recognised immediately in the income statements.

Notes to the Financial Statements

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Financial Instruments

- (i) Financial instruments are recognised in the balance sheet when the Group has become party to the contractual provisions of the instruments.
- (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 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.

6. REVENUE

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Bereavement care	142,394	134,405	-	-
Management fees from subsidiary companies	-	-	9,889	10,652
Dividend income (gross) from subsidiary companies	-	-	22,916	21,198
	142,394	134,405	32,805	31,850

Notes to the Financial Statements

7. OPERATING COSTS APPLICABLE TO REVENUE

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

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Raw materials, consumables and services used	37,063	40,297	-	-
Changes in inventories of finished goods and work-in-progress	11	(87)	-	-
Land and development expenditure recognised	14,583	10,344	-	-
Staff costs	16,213	15,558	4,055	4,731

Staff costs include salaries, wages, bonuses, contributions to Employees Provident Fund and all other staff related costs excluding Directors' remuneration as disclosed in Note 8. Contributions made by the Group and the Company to the Employees Provident Fund amounted to RM1,414,063 and RM389,568 (2006: RM1,424,085 and RM421,482) respectively during the current year.

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Fees	219	252	114	102
Employees Provident Fund contributions	265	278	265	278
Other emoluments	1,408	1,476	1,408	1,476
	1,892	2,006	1,787	1,856

The estimated monetary value of benefits-in-kind received and receivable by the Directors from the Group and the Company amounted to RM85,576 (2006: RM61,881) and RM85,576 (2006: RM61,881) respectively.

Notes to the Financial Statements

9. PROFIT FROM OPERATIONS

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

	Notes	The Group		The Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bad debts written off		-	11	-	-
Auditors' remuneration		191	149	25	16
Rental of:					
Land		2	10	-	-
Equipment		68	51	-	-
Rental of premises payable to:					
Subsidiary company		-	-	960	960
Others		759	648	-	-
Property, plant and equipment written off		2	5	-	-
Depreciation of property, plant and equipment	14	4,156	4,364	141	160
Amortisation of prepaid lease payments	15	34	34	-	-
(Gain)/Loss on disposal of:					
Associated company	17	(1,083)	-	(899)	-
Other investment		-	(1)	-	(1)
Property, plant and equipment - net		(71)	(534)	1	-
Land held for development		-	(276)	-	-
Rental income		(97)	(436)	-	-
Interest income from:					
Subsidiary companies		-	-	(2,820)	(2,345)
Customers		(1)	(98)	-	-
Others		(137)	(118)	-	-
Net foreign exchange differences - gain		-	(10)	-	-
Gain on disposal of trade name to a subsidiary company		-	-	-	(7,000)

Notes to the Financial Statements

10. FINANCE COSTS

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Interest on:				
Medium term notes	1,995	1,995	1,995	1,995
Revolving credit	30	379	-	-
Bank overdraft	1	1	-	-
Hire-purchase	110	114	-	-
	2,136	2,489	1,995	1,995

11. INCOME FROM OTHER INVESTMENTS

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Interest income from short-term funds and deposits	585	472	285	267

12. INCOME TAX EXPENSE

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
Malaysian:				
Current year	7,601	8,415	6,772	6,370
Under/(Over)provision in prior years	324	(289)	(22)	(128)
Foreign:				
Current year	129	2	-	-
	8,054	8,128	6,750	6,242
Deferred tax (Note 24):				
Current year	(98)	(1,981)	-	-
Overprovision in prior years	(567)	(323)	-	-
	(665)	(2,304)	-	-
	7,389	5,824	6,750	6,242

Notes to the Financial Statements

12. INCOME TAX EXPENSE (cont'd)

The Malaysian income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated taxable profit for the year.

The statutory tax rate will be reduced to 26% and 25% from the current year's rate of 27% effective year of assessment 2008 and 2009 respectively. The computation of deferred tax as at December 31, 2007 has been reflected with these changes. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdiction.

A numerical reconciliation of income tax expense applicable to the profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Profit before tax	24,107	21,969	25,830	30,103
Tax at applicable statutory tax rate of 20% on first RM500,000 of chargeable income and 27% (2006: 28%) on the remaining chargeable income	6,299	5,954	6,974	8,429
Tax effects of:				
Income that are not taxable in determining taxable profit	(557)	(237)	(320)	(1,960)
Expenses that are not deductible in determining taxable profit	850	218	231	24
Changes in income tax rate	962	406	-	-
Deferred tax asset not recognised	78	95	-	-
Group relief on current year tax losses	-	-	(113)	(123)
Overprovision in prior years	(243)	(612)	(22)	(128)
Tax expense for the year	7,389	5,824	6,750	6,242

As of December 31, 2007, 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, 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.

Notes to the Financial Statements

13. EARNINGS PER SHARE

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

Basic

	The Group	
	2007 RM'000	2006 RM'000
Net profit attributable to ordinary equity holders of the Company	16,120	15,181
	2007 Units '000	2006 Units '000
Number of shares of RM0.25 each in issue as of January 1	342,090	328,903
Effect from sale of treasury shares	-	7,756
Weighted average number of ordinary shares in issue	342,090	336,659
	2007	2006
Basic earnings per share (sen)	4.71	4.51

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2007	← As of 1.1.2007 →		As restated RM'000	Currency translation differences RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifications RM'000	As of 31.12.2007 RM'000
	As previously reported RM'000	Effect of adopting FRS 117 (Note 15) RM'000						
Cost								
Short leasehold building	30,824	-	30,824	(132)	20	-	-	30,712
Short leasehold land	2,423	(2,423)	-	-	-	-	-	-
Plant and machinery	919	-	919	-	65	(6)	-	978
Plant and machinery under lease	550	-	550	-	-	-	-	550
Furniture and fittings	5,883	-	5,883	1	110	(13)	-	5,981
Office equipment, computer systems and equipment	10,406	-	10,406	(28)	620	(75)	-	10,923
Cabin	55	-	55	(2)	17	-	-	70
Office renovations	3,188	-	3,188	-	138	(3)	-	3,323
Motor vehicles	9,585	-	9,585	(16)	933	(777)	486	10,211
Motor vehicles under hire-purchase	4,420	-	4,420	(4)	182	-	(486)	4,112
Total	68,253	(2,423)	65,830	(181)	2,085	(874)	-	66,860

The Group 2007	← As of 1.1.2007 →		As restated RM'000	Currency translation differences RM'000	Charge for the year RM'000	Disposals/ Written off RM'000	Reclassifications RM'000	As of 31.12.2007 RM'000	Net Book Value 31.12.2007 RM'000
	As previously reported RM'000	Effect of adopting FRS 117 (Note 15) RM'000							
Accumulated Depreciation									
Short leasehold building	1,960	-	1,960	(28)	716	-	-	2,648	28,064
Short leasehold land	288	(288)	-	-	-	-	-	-	-
Plant and machinery	636	-	636	-	132	(5)	-	763	215
Plant and machinery under lease	82	-	82	-	-	-	-	82	468
Furniture and fittings	2,517	-	2,517	-	561	(4)	-	3,074	2,907
Office equipment, computer systems and equipment	7,077	-	7,077	(22)	1,082	(62)	-	8,075	2,848
Cabin	36	-	36	(3)	8	-	-	41	29
Office renovations	2,103	-	2,103	2	232	(1)	-	2,336	987
Motor vehicles	8,145	-	8,145	(21)	1,095	(720)	480	8,979	1,232
Motor vehicles under hire-purchase	839	-	839	-	330	-	(480)	689	3,423
Total	23,683	(288)	23,395	(72)	4,156	(792)	-	26,687	40,173

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group 2006	← As of 1.1.2006 → Effect of			Currency translation differences RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifications RM'000	As of	
	As previously reported RM'000	adopting FRS 117 (Note 15) RM'000	As restated RM'000					31.12.2006 RM'000	31.12.2006 RM'000
Cost									
Long leasehold land and building	2,965	-	2,965	-	-	(3,047)	82	-	-
Short leasehold buildings	29,828	-	29,828	35	1,043	-	(82)	30,824	-
Short leasehold land	2,418	(2,418)	-	-	-	-	-	-	-
Plant and machinery	874	-	874	(9)	55	(1)	-	919	-
Plant and machinery under lease	550	-	550	-	-	-	-	550	-
Furniture and fittings	4,992	-	4,992	416	507	(30)	(2)	5,883	-
Office equipment, computer systems and equipment	9,707	-	9,707	60	735	(98)	2	10,406	-
Cabin	47	-	47	8	-	-	-	55	-
Office renovations	3,756	-	3,756	(474)	292	(386)	-	3,188	-
Motor vehicles	9,408	-	9,408	(56)	65	(219)	387	9,585	-
Motor vehicles under hire-purchase	3,571	-	3,571	-	1,236	-	(387)	4,420	-
Total	68,116	(2,418)	65,698	(20)	3,933	(3,781)	-	65,830	-

The Group 2006	← As of 1.1.2006 → Effect of			Currency translation differences RM'000	Charge for the year RM'000	Disposals/ Written off RM'000	Reclassifications RM'000	Net Book Value	
	As previously reported RM'000	adopting FRS 117 (Note 15) RM'000	As restated RM'000					31.12.2006 RM'000	31.12.2006 RM'000
Accumulated Depreciation									
Long leasehold land and building	180	-	180	-	10	(138)	(52)	-	-
Short leasehold buildings	1,092	-	1,092	6	810	-	52	1,960	28,864
Short leasehold land	254	(254)	-	-	-	-	-	-	-
Plant and machinery	568	-	568	(7)	75	-	-	636	283
Plant and machinery under lease	27	-	27	-	55	-	-	82	468
Furniture and fittings	1,983	-	1,983	1	547	(14)	-	2,517	3,366
Office equipment, computer systems and equipment	5,931	-	5,931	5	1,211	(70)	-	7,077	3,329
Cabin	21	-	21	7	8	-	-	36	19
Office renovations	2,255	-	2,255	1	226	(379)	-	2,103	1,085
Motor vehicles	6,806	-	6,806	(61)	1,301	(192)	291	8,145	1,440
Motor vehicles under hire-purchase	1,009	-	1,009	-	121	-	(291)	839	3,581
Total	20,126	(254)	19,872	(48)	4,364	(793)	-	23,395	42,435

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company

Cost	As of 1.1.2007 RM'000	Additions RM'000	Disposal RM'000	As of 31.12.2007 RM'000
Office equipment, computer systems and equipment	891	58	-	949
Motor vehicles	9	-	(4)	5
Office renovations	-	46	-	46
Total	900	104	(4)	1,000

Accumulated Depreciation	As of 1.1.2007 RM'000	Charge for the year RM'000	Disposal RM'000	As of 31.12.2007 RM'000
Office equipment, computer systems and equipment	461	133	-	594
Motor vehicles	7	-	(2)	5
Office renovations	-	8	-	8
Total	468	141	(2)	607

Cost	As of 1.1.2006 RM'000	Additions RM'000	As of 31.12.2006 RM'000
Office equipment, computer systems and equipment	773	118	891
Motor vehicles	9	-	9
Total	782	118	900

Accumulated Depreciation	As of 1.1.2006 RM'000	Charge for the year RM'000	As of 31.12.2006 RM'000
Office equipment, computer systems and equipment	302	159	461
Motor vehicles	6	1	7
Total	308	160	468

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Net Book Value	As of 31.12.2007 RM'000	As of 31.12.2006 RM'000
Office equipment, computer systems and equipment	355	430
Motor vehicles	-	2
Office renovations	38	-
Total	393	432

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 RM10,099,207 and RM400,510 (2006: RM8,683,990 and RM256,841) respectively.

15. PREPAID LEASE PAYMENTS

	The Group 2007 RM'000	2006 RM'000
Cost:		
At beginning of year	-	-
Effect of adopting FRS 117 (Note 14)	2,423	2,418
As restated	2,423	2,418
Additions	-	5
At end of year	2,423	2,423
Accumulated amortisation:		
At beginning of year	-	-
Effect of adopting FRS 117 (Note 14)	288	254
As restated	288	254
Charge for the year	34	34
At end of year	322	288
Net prepaid lease payments as of December 31	2,101	2,135

The prepaid lease payments comprise upfront payment for the short leasehold land which were previously classified under property, plant and equipment.

The above prepaid lease payments are for an unexpired lease period of less than 50 years.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2007	2006
	RM'000	RM'000
Unquoted shares, at cost:		
At beginning of year	60,480	60,480
Effect of adopting FRS 127 (Note 3(iii))	(47,069)	(47,069)
As restated	13,411	13,411
Addition during the year	260	-
At end of year	13,671	13,411
5% Redeemable Convertible Preference Shares of USD1.00 each	1,659	-
	15,330	13,411

The subsidiary companies are as follows:

Direct subsidiary companies of the Company

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
		%	%	
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
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 Multi Resources Sdn. Bhd. (formerly known as Nirvana Memorial Park (Melaka) Sdn. Bhd.)	Malaysia	100	100	Dormant
NV Multi Corporation (Hong Kong) Limited *	Hong Kong	100	100	Investment holding

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
NV Multi Capital Sdn. Bhd. (formerly known as Paramount Right Sdn. Bhd.)	Malaysia	60	100	Investment holding
Rantau Delima Sdn. Bhd.	Malaysia	100	100	Dormant
NV Multi Corporation (Singapore) Pte. Ltd. *	Singapore	100	-	Investment holding

Indirect subsidiary companies of the Company

- (a) Subsidiary companies of Nirvana Memorial Park Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
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 (Penang) Sdn. Bhd.	Malaysia	100	100	Provision of management services
Nirvana Memorial Park (Sabah) Sdn. Bhd.	Malaysia	100	100	Development of rest park, construction, sales of tombs and sales of funeral packages
Nirvana Memorial Park (Shah Alam) Sdn. Bhd.	Malaysia	100	100	Development of rest park, construction and sales of tombs
Nirvana Memorial Park (Sibu) Sdn. Bhd.	Malaysia	100	100	Development of rest park, construction and sales of tombs

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) Subsidiary company of Nirvana Memorial Park (Kuching) Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
		%	%	
Anglosa Development Sdn. Bhd.	Malaysia	100	100	Dormant

(c) Subsidiary companies of NV Care Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
		%	%	
NV Care (Johor) Sdn. Bhd.	Malaysia	100	100	Dormant
NV Care (Penang) Sdn. Bhd.	Malaysia	51	100	Sales of funeral packages
Pinang Sepadan Sdn. Bhd.	Malaysia	100	100	Investment holding
PJMC Sdn. Bhd.	Malaysia	100	100	Dormant

(d) Subsidiary company of NV Care (Penang) Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
		%	%	
Eight Eleven Services Sdn. Bhd. (formerly known as Top Paramount Sdn. Bhd.)	Malaysia	51	-	Sales of funeral services

(e) Subsidiary companies of NV Multi Corporation (Hong Kong) Limited

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007	2006	
		%	%	
NV World-Wide Information Consultancy Co. Ltd. *	The People's Republic of China	100	100	Dormant

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(e) Subsidiary companies of NV Multi Corporation (Hong Kong) Limited (cont'd)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
Harvest China Holdings Limited *	Hong Kong	85	85	Investment in real and personal property
PT Alam Hijau Lestari *	Indonesia	51	51	Development of rest park, construction and sales of tombs
NV Mauritius Limited *	Republic of Mauritius	100	100	Under process of voluntary liquidation
NV Care (HK) Co Limited *	Hong Kong	71	51	Dormant
NV Overseas Ltd.	Labuan	60	60	Dormant

(f) Subsidiary company of NV Multi Capital Sdn. Bhd. (formerly known as Paramount Right Sdn. Bhd.)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
NV Multi Corporation (Taiwan) Ltd *	Taiwan	51	-	Investment holding

(g) Subsidiary company of NV Multi Corporation (Singapore) Pte. Ltd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
Nirvana Memorial Garden Pte. Ltd. *	Singapore	70	-	Dormant

* Audited by other firms of auditors.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

- (i) On March 1, 2007, the Group increased its equity interest in NV Care (HK) Co Limited ("NVCHK") from 51% to 71% through its acquisition of an additional 2,000 ordinary shares of HK\$1.00 each in NVCHK for a total consideration of HK\$2,000.
- (ii) On June 5, 2007, NV Multi Capital Sdn. Bhd. (formerly known as Paramount Right Sdn. Bhd.) ("NVCap"), a wholly-owned subsidiary company of the Company, increased its paid-up share capital from 2 ordinary shares of RM1.00 each to 100 ordinary shares of RM1.00 each. The Company subscribed for an additional 58 ordinary shares of RM1.00 each resulting in NVCap becomes a 60%-owned subsidiary company of the Company.

Subsequently, on July 4, 2007, NVCap further increased its paid-up share capital to 100,000 ordinary shares of RM1.00 each and the Company subscribed for 59,940 ordinary shares of RM1.00 each at par.

On February 25, 2008, the Company exercised its option to purchase 20% equity interest in NVCap from a third party for a total consideration of RM2,500,000 pursuant to the Put and Call Option Agreement entered on July 4, 2007. Consequently, the Group's equity interest in NVCap increased from 60% to 80%.

- (iii) On July 5, 2007, NVCap entered into a Joint Venture Agreement ("JVA") with a third party to jointly set up a joint venture company, NV Multi Corporation (Taiwan) Ltd ("NVTw"), which is established to acquire 90% interest in Chiuan An Tai Development Co Ltd ("SPV"), a special purpose vehicle to build, operate and own a memorial park together with a crematorium and a funeral complex in Taiwan ("the BOO").

During the financial year, NVCap subscribed for 5,100,000 new ordinary shares of New Taiwan Dollar ("TWD")10.00 each representing 51% of the issued and paid-up share capital of NVTw at a total consideration of TWD51,000,000.

On August 15, 2007, SPV entered into a formal agreement with the relevant authority for the BOO.

Subsequent to the financial year end, NVTw subscribed for 30,000,000 new ordinary shares of TWD10.00 each in SPV representing 75% equity interest in SPV for a total consideration of TWD300,000,000.

- (iv) On July 30, 2007, NV Care (Penang) Sdn. Bhd. ("NVCP"), a wholly-owned subsidiary company of NV Care Sdn. Bhd. ("NVC") which is a 85%-owned subsidiary company of the Company, increased its paid-up share capital from 2 ordinary shares of RM1.00 each to 100 ordinary shares of RM1.00 each and NVC subscribed for 49 ordinary shares of RM1.00 each and resulted in NVCP becomes a 51%-owned subsidiary company of NVC.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

- (v) On August 29, 2007, NVCP acquired 51% equity interest in Eight Eleven Services Sdn. Bhd. (formerly known as Top Paramount Sdn. Bhd.) ("Eight Eleven") comprising 51 ordinary shares of RM1.00 each for a total purchase consideration of RM1,530,000.
- (vi) On September 19, 2007, the Company incorporated a wholly-owned subsidiary company, NV Multi Corporation (Singapore) Pte. Ltd. ("NVSing"), in Singapore with a paid-up share capital of 100 ordinary shares of S\$1.00 each.
- (vii) On October 3, 2007, the Company subscribed for 850 Redeemable Preference Shares of RM1.00 each at a total subscription price of RM850 in PJMC Sdn. Bhd., a wholly-owned subsidiary company of NVC.
- (viii) On November 7, 2007, NVSing incorporated a 70%-owned subsidiary company, Nirvana Memorial Garden Pte. Ltd., in Singapore with a paid-up share capital of 100 ordinary shares of S\$1.00 each.
- (ix) On December 27, 2007, the Company subscribed for 500,000 5% Redeemable Convertible Preference Shares of US\$1.00 each at a total subscription price of US\$500,000 in NV International (L) Limited, a wholly-owned subsidiary company of the Company.
- (x) On March 10, 2008, the Company subscribed for an additional 139,800 ordinary shares of RM1.00 each issued at par in Nirvana Memorial Park Sdn. Bhd., a wholly-owned subsidiary company of the Company.

The effects of the acquisition of Eight Eleven on the Group's financial results for the current year are as follows:

	RM'000
Revenue	1,409
Net profit for the period / Increase in Group's net profit	209

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The effects of the acquisition of Eight Eleven on the Group's cash flow at the date of acquisition are as follows:

	RM'000
Net assets acquired as at date of acquisition:	
Cash and bank balances	*
Goodwill on consolidation	1,535
Portion satisfied by cash	1,535
Less: Cash and bank balances	*
Cash flow on acquisition, net of cash acquired	1,535

* Represent RM100

In prior year, the effects of the acquisitions of NVCHK and NV Overseas Ltd ("NVO") on the Group's financial results is as follows:

	RM'000
Loss for the period / Decrease in Group's net profit	15

In prior year, the effects of the acquisitions of NVCHK and NVO on the Group's cash flow at the date of acquisition is as follows:

	RM'000
Net assets acquired as at date of acquisition:	
Cash and bank balances	2
Portion satisfied by cash	2
Less: Cash and bank balances	(4)
Cash flow on acquisition, net of cash acquired	(2)

Notes to the Financial Statements

17. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares, at cost	1,700	491	1,700	491
Share of post-acquisition loss	-	(127)	-	-
	1,700	364	1,700	491
1% Redeemable Cumulative Convertible Preference Shares of RM1.00 each	-	310	-	310
	1,700	674	1,700	801

On December 26, 2007, the Company disposed of its 20% equity interest in Life Care Diagnostic Medical Centre Sdn. Bhd. (formerly known as Life Care Diagnostic Sdn. Bhd.) comprising 490,000 ordinary shares of RM1.00 each and 310,500 1% Redeemable Cumulative Convertible Preference Shares for a total consideration of RM1,700,000 satisfied by the issuance of 1,700,000 new ordinary shares of RM1.00 each representing 8.5% shareholding in Life Care International Medical Group Sdn. Bhd. (formerly known as OKL Caring Holdings Sdn. Bhd.) ("LIMG"). The disposal generated a gain of RM1,083,626 and RM899,500 to the Group and the Company respectively.

Subsequently, on January 2, 2008, the Company acquired 2,300,000 ordinary shares of RM1.00 each which is equivalent to 11.5% equity interests in LIMG for a total cash consideration of RM2,300,000. LIMG becomes a 20% associated company of the Group.

The summarised financial information of the associated company based on the unaudited financial statements is as follows:-

	The Group	
	2007 RM'000	2006 RM'000
Total assets	26,271	6,353
Total liabilities	(6,417)	(4,591)
Net assets	19,854	1,762
Total revenue	9,373	3,738
Total profit/(loss) for the year	723	(932)

Notes to the Financial Statements

17. INVESTMENT IN AN ASSOCIATED COMPANY (cont'd)

Details of the associated company are as follows:-

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2007 %	2006 %	
Life Care International Medical Group Sdn. Bhd. (formerly known as OKL Caring Holdings Sdn. Bhd.)	Malaysia	8.5 [#]	-	Trading of medical equipment, provision of medical consultancy and management services.
Life Care Diagnostic Medical Centre Sdn. Bhd. (formerly known as Life Care Diagnostic Sdn. Bhd.)	Malaysia	-	20	Operating health and wellness centre and provision of healthcare services.

It is regarded as an associated company as the Group is in the position to exercise significant influence over its financial and operating policies through management participation.

18. OTHER INVESTMENTS

	The Group and The Company	
	2007 RM'000	2006 RM'000
Club memberships at cost	211	211
Market value	418	430

19. SINKING FUND

	The Group	
	2007 RM'000	2006 RM'000
At beginning of year	26,832	22,741
Additions net of withdrawals during the year	5,017	2,462
Realised and unrealised gains during the year	3,502	1,629
At end of year	35,351	26,832

The funds which are managed by an independent trustee are invested in landed property, equity securities, fixed income deposits and unit trust fund.

Notes to the Financial Statements

20. DEFERRED ACQUISITION COST

	The Group	
	2007	2006
	RM'000	RM'000
At beginning of year	18,327	15,634
Additions during the year	4,311	4,377
Charged to the income statements	(1,468)	(1,684)
At end of year	21,170	18,327

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Trade receivables	64,395	55,549	-	-
Allowance for doubtful debts	(31)	(31)	-	-
	64,364	55,518	-	-
Other receivables	10,262	10,118	60	80
Deposits	1,304	2,839	205	234
Prepaid expenses	4,079	3,586	75	152
Tax recoverable	1,407	1,037	-	-
Stakeholders' fund	9	9	-	-
	81,425	73,107	340	466
Less: Trade receivables - Portion due after 12 months	(7,475)	(4,460)	-	-
	73,950	68,647	340	466

The currency exposure profile of trade receivables is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Ringgit Malaysia	58,999	47,670
Indonesian Rupiah	5,365	7,848
	64,364	55,518

Notes to the Financial Statements

21. TRADE AND OTHER RECEIVABLES (cont'd)

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

The normal credit period granted on sales of goods ranges from 1 to 12 months (2006: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

Included in the deposits of the Group is an amount of RM300,000 (2006: RM1,800,000) paid to secure rights for the development of non-Muslim oriental cemeteries.

22. PRE-NEED FUNERAL CONTRACT RECEIVABLES

	The Group	
	2007	2006
	RM'000	RM'000
Pre-need funeral contract receivables	7,935	15,443
Less: Portion due after 12 months	(1,074)	(254)
Current portion of pre-need funeral contract receivables	6,861	15,189

The Group's normal trade credit ranges from 1 to 12 months (2006: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

23. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	The Company	
	2007	2006
	RM'000	RM'000
Amount owing by subsidiary companies	148,523	134,728
Amount owing to subsidiary companies	(156)	(156)
	148,367	134,572

The amounts owing by/(to) subsidiary companies are unsecured, interest free with no fixed terms of repayment except for an amount of RM40,942,626 (2006: RM41,260,726) representing advances owing by certain subsidiary companies on which interest is charged ranging from 6.70% to 8.00% (2006: 6.70% to 8.00%) per annum.

Notes to the Financial Statements

24. DEFERRED TAX ASSETS/(LIABILITIES)

	The Company	
	2007	2006
	RM'000	RM'000
Deferred tax assets:		
Balance at beginning of year	14,008	11,572
Transfer from income statements (Note 12)	519	2,436
Balance at end of year	14,527	14,008

The deferred tax assets are in respect of the following:

	The Group	
	2007	2006
	RM'000	RM'000
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(753)	(947)
Deferred pre-need funeral contract revenue	14,908	14,583
Unused tax losses	372	372
	14,527	14,008

Deferred tax liabilities:

Balance at beginning of year	(2,642)	(2,510)
Transfer from/(to) income statements (Note 12)	146	(132)
Balance at end of year	(2,496)	(2,642)

The deferred tax liabilities are in respect of the following:

Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(530)	(757)
Deferred acquisition cost	(1,326)	(1,220)
Cemetery property	(640)	(665)
	(2,496)	(2,642)

Notes to the Financial Statements

24. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

As mentioned in Note 5(s), 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, unused tax losses and unused tax credits can be utilised.

As of December 31, 2007, 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 due to uncertainty of realisation, is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Unabsorbed capital allowances	18	16
Unused tax losses	887	811
	905	827

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

25. GOODWILL ARISING ON CONSOLIDATION

	The Group	
	2007	2006
	RM'000	RM'000
At beginning of year	6,744	6,744
Add: Acquisition of a subsidiary company	1,535	-
At end of year	8,279	6,744

The carrying amount of goodwill allocated to each of the Group's cash-generating units ("CGU") are as follows:

	The Group	
	2007	2006
	RM'000	RM'000
NV Care Sdn. Bhd.	6,682	6,682
Nirvana Memorial Park (Kuching) Sdn. Bhd.	62	62
Eight Eleven Services Sdn. Bhd. (formerly known as Top Paramount Sdn. Bhd.)	1,535	-
	8,279	6,744

Notes to the Financial Statements

25. GOODWILL ARISING ON CONSOLIDATION (cont'd)

Key assumptions used in value-in-use calculation

The recoverable amounts of a CGU is determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a ten (10) year period.

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

- a. There will be no material changes in the structure and principal activities of the Group.
- b. Cost/Price inflation - there will not be any significant increase in the prices and supply of materials, wages and other related costs, resulting from industrial dispute, adverse changes in the economic conditions or other abnormal factors, which will adversely affect the operations of the Group.
- c. Statutory income tax rate - the tax rate for Malaysia is 27% for current year, 26% for 2008 and thereafter 25%. There will be no material change in the present legislation or regulations, rates and bases of duties, levies and other taxes affecting the Group's activities.
- d. Discount rate - discount rate used is pre-tax.
- e. Interest rates - the interest rates on the existing financing facilities will prevail.

26. INVENTORIES AND DEVELOPMENT EXPENDITURE

	The Group	
	2007	2006
	RM'000	RM'000
At cost:		
Raw materials	527	508
Work in progress	12,641	12,323
Finished goods	851	1,137
Funeral stocks	1,180	1,223
	15,199	15,191
Land under development	35,779	36,742
Development expenditure	144,006	130,001
	194,984	181,934

Notes to the Financial Statements

27. CASH AND BANK BALANCES

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Short-term funds	5,200	11,200	5,200	11,200
Deposits with licensed banks	721	1,117	-	-
Short-term deposits with other licensed corporations	15,000	7,200	-	-
Cash on hand and at banks	12,816	7,449	572	91
	33,737	26,966	5,772	11,291

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

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	27,431	26,581	5,772	11,291
United States Dollar	408	57	-	-
Indonesian Rupiah	808	288	-	-
New Taiwan Dollar	5,051	-	-	-
Others	39	40	-	-
	33,737	26,966	5,772	11,291

Short-term funds represent placements in fixed income trust fund.

The short-term funds and deposits bear interest at rates ranging from 2.79% to 4.47% (2006: 2.75% to 4.47%) per annum and have an average maturity ranging from 1 to 365 days (2006: 1 to 365 days).

28. SHARE CAPITAL

	The Group and The Company	
	2007	2006
	RM'000	RM'000
Authorised:		
Ordinary shares of RM0.25 each	100,000	100,000
Issued and fully paid:		
Ordinary shares of RM0.25 each	85,523	85,523

Notes to the Financial Statements

28. SHARE CAPITAL (cont'd)

Treasury Shares

In 2006, all the treasury shares which were repurchased in prior year were sold in the open market with a surplus of RM38,819 which had been credited to share premium account in the financial statements of the Group and of the Company.

29. RESERVES

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000 restated
Non-distributable reserves:				
Capital redemption reserve	1,582	1,582	1,582	1,582
Revaluation reserve	7,842	7,842	-	-
Share premium	39	39	39	39
Currency translation reserve	80	287	-	-
	9,543	9,750	1,621	1,621
Distributable reserve:				
Retained earnings	83,161	75,157	48,625	37,661
	92,704	84,907	50,246	39,282

a. Revaluation reserve

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
At beginning of year				
As previously reported	7,842	7,842	4,769	4,769
Effect of adopting FRS 127 (Note 3(iii))	-	-	(4,769)	(4,769)
As restated	7,842	7,842	-	-
At end of year				
	7,842	7,842	-	-

Revaluation reserve represents the net surplus arising on the revaluation of investment in subsidiary companies. The Company's investment in subsidiary companies was restated to cost following the adoption of FRS 127 Consolidated and Separate Financial Statements as disclosed in Note 16.

Notes to the Financial Statements

29. RESERVES (cont'd)

b. 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 5(u).

c. Retained earnings

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At beginning of year				
As previously reported	75,157	67,080	79,961	63,204
Effect of adopting FRS 127 (Note 3(iii))	-	-	(42,300)	(42,300)
As restated	75,157	67,080	37,661	20,904
Profit attributable to equity holders of the parent	16,120	15,181	19,080	23,861
Dividend paid	(8,116)	(7,104)	(8,116)	(7,104)
At end of year	83,161	75,157	48,625	37,661

Distributable reserves are those available for distribution as dividend. Based on the estimated tax exempt income account balance as disclosed in Note 12 and the estimated tax credits available and prevailing tax rates applicable to dividends, the retained earnings of the Company is available for distribution by way of cash dividends without additional tax liabilities being incurred.

The Malaysian Budget 2008 introduced a single tier dividend system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on January 1, 2008 whilst companies with such tax credit are given an irrevocable option to elect for a switch to the new system during the transitional period of six years. All the companies will be in the new system on January 1, 2014. Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The Company has not opted to elect for a switch to the new system on January 1, 2008.

Notes to the Financial Statements

30. HIRE-PURCHASE AND LEASE PAYABLES

	The Group	
	2007	2006
	RM'000	RM'000
Total principal outstanding	2,007	2,509
Less: Amount due within 12 months	(772)	(764)
Non-current portion	1,235	1,745

Comprising:

- (a) Hire-Purchase

	The Group	
	2007	2006
	RM'000	RM'000
Total instalments outstanding	2,067	2,484
Less: Interest-in-suspense	(243)	(296)
Principal outstanding	1,824	2,188
Less: Amount due within 12 months	(621)	(624)
Non-current portion	1,203	1,564

The non-current portion is repayable as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Financial year ending December 31,		
2008	-	563
2009	562	505
2010	461	404
2011	128	63
2012	52	29
	1,203	1,564

Notes to the Financial Statements

30. HIRE-PURCHASE AND LEASE PAYABLES (Cont'd)

(b) Finance lease

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Within one year	161	161	151	140
In the second to fifth years inclusive	53	214	32	181
	214	375	183	321
Less: Future finance charges	(31)	(54)	*	*
Present value of lease payables	183	321	183	321
Less: Amount due within 12 months			(151)	(140)
Non-current portion			32	181

* Not applicable

The non-current portion is repayable as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Financial year ending December 31,		
2008	-	151
2009	32	30
	32	181

The average term for hire-purchase and lease is 4 to 7 years. For the financial year ended December 31, 2007, the interest rates implicit in the hire-purchase and lease payables of the Group range from 4.09% to 12.31% (2006: 4.09% to 9.33%) 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

31. MEDIUM TERM NOTES

On March 18, 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 March 29, 2004 issued RM35 million of MTN which is unsecured with a fixed interest rate of 5.7% per annum. 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 March 18, 2009.

32. DEFERRED PRE-NEED FUNERAL CONTRACT REVENUE

	The Group	
	2007 RM'000	2006 RM'000
At beginning of year	99,856	83,028
Sales during the year	13,310	23,940
Exercised and recognised during the year	(7,230)	(7,112)
At end of year	105,936	99,856
Cumulative realised and unrealised gain in sinking fund	5,607	2,105
	111,543	101,961

33. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	26,208	25,650	-	-
Other payables	8,382	6,103	189	215
Accrued expenses	13,462	10,019	1,031	1,162
Advance billings	24,037	19,474	-	-
Amount owing to minority shareholders	4,768	4,274	-	-
Incentives payable to agents	16,770	13,310	-	-
Sinking fund payable	9,307	5,290	-	-
	102,934	84,120	1,220	1,377

Notes to the Financial Statements

33. TRADE AND OTHER PAYABLES (cont'd)

The currency exposure profile of trade payables is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Ringgit Malaysia	24,582	21,555
Indonesian Rupiah	1,626	4,095
	26,208	25,650

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 (2006: 30 to 90 days).

Other payables arise mainly from accrued operating expenses. Included in other payables is an amount of RM1,650,000 (2006: RM1,650,000) received from Chung Kiaw Garments Sdn. Bhd. ("CKG") in accordance with the Sale and Purchase Agreement to dispose of 65% equity interest, equivalent to 65,000 ordinary shares of RM1.00 each in Nirvana Memorial Park (Kuching) Sdn. Bhd. ("NIRK") with CKG, wherein Madam Wong Nga Yang, a Director and substantial shareholder of NIRK, is also a director and substantial shareholder of CKG, for a cash consideration of RM4,470,000. The disposal is expected to be completed in May 2009.

Advance billings represent products other than pre-need sales of funeral products that have been invoiced but not yet delivered or completed.

34. BORROWINGS

	The Group	
	2007	2006
	RM'000	RM'000
Revolving credit	-	3,530

The revolving credit granted to a subsidiary company which is guaranteed by the Company, has been fully repaid in February 2007. In prior year, this revolving credit which is denominated in United States Dollar, bore interest at rates ranging from 5.69% to 7.06% per annum.

Notes to the Financial Statements

35. DIVIDENDS

	The Group and The Company	
	2007	2006
	RM'000	RM'000
First and final dividend paid:		
RM0.0325 gross per ordinary share of RM0.25 each, less 27% tax for year 2006	8,116	-
Interim dividend paid:		
RM0.03 gross per ordinary share of RM0.25 each, less 28% tax for year 2005	-	7,104
	8,116	7,104

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended December 31, 2007, of 12% less 26% tax on 342,090,000 ordinary shares of RM0.25 each amounting to a dividend payable of approximately RM7,594,398 will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending December 31, 2008.

36. CONTINGENT LIABILITIES - UNSECURED

	The Group		The Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Damages claimed by third parties as a result of earthworks carried out and pending court decision *	2,006	2,623	-	-
Corporate guarantee for banking facilities granted to subsidiary companies **	-	-	32	3,560
Corporate guarantee for end-financing facilities granted to purchasers, for which no loss is expected **	261	489	261	489
	2,267	3,112	293	4,049

* 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, 2007, the total amount of guarantees provided by the Company for the banking facilities granted to the subsidiary companies amounted to RM39,330,000 (2006: RM40,220,000) of which RM20,000,000 relates to the guarantee for end-financing facilities granted to purchasers which has been terminated in October 2006. 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

37. 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 exposures 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 pre-arranged funeral operations, the cost of providing funeral packages in the future are deposited with the Trustee independent of the Group's finances. The risk is minimised through stringent cost control by the Group, regular valuation by an independent Actuarial Consultant, and an established investment policy by the Trustee.

(v) Liquidity Risk

It is the Group's policy to maintain flexibility in funding by keeping committed credit lines 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

37. FINANCIAL INSTRUMENTS (cont'd)

(vi) Fair Value

The estimated fair value of the 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:

		2007		2006	
	Notes	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	30	2,007	2,149	2,509	2,677
Medium Term Notes	31	35,000	33,661	35,000	33,733
The Company					
Financial Liabilities					
Medium Term Notes	31	35,000	33,661	35,000	33,733

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 values because of their short maturity period.

Provisions

The carrying amount of provisions approximate their fair values.

Notes to the Financial Statements

38. 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.

39. SIGNIFICANT EVENT DURING THE YEAR

Other than as disclosed in Notes 16 and 17, during the year, NV Overseas Ltd, a 60%-owned subsidiary company of NV Multi Corporation (Hong Kong) Limited, entered into a JVA with a third party, to set up and establish a joint stock company to be named as NV Multi Lotus Joint Stock Company by September 28, 2008 for the development, operation and management of a memorial park in Vietnam.

40. SUBSEQUENT EVENTS

Other than as disclosed in Notes 16 and 17, the Company undertook the following:

- (a) On February 14, 2008, the Company granted the following number of shares under the ESOS for the benefit of its eligible Directors and employees of the Company and its subsidiary companies:

<u>Date of Grant</u>	<u>Option Price</u>	<u>Number of Unissued Shares under the Option</u>	<u>Exercise Date</u>
February 14, 2008	RM0.63	9,680,000	July 2008 to February 2012

- (b) On February 21, 2008, NV Multi Resources Sdn. Bhd. (formerly known as Nirvana Memorial Park (Melaka) Sdn. Bhd.), a wholly-owned subsidiary company of the Company, entered into a JVA with a third party to set up a joint venture company to be named as NV Multi (Cambodia) Pte. Ltd. ("NVCam") to undertake the development, operation and management of a memorial park in Cambodia. Subsequently, NVCam was incorporated on February 29, 2008.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

All the related party disclosures have been mentioned in various Notes to the Financial Statements. The Directors are of the opinion that all the related party transactions have been established on terms and conditions that are determined on a basis as negotiated between the related parties.

Notes to the Financial Statements

41. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

a. Transactions with subsidiary companies

The transactions with subsidiary companies have been disclosed in Notes 6 and 9.

The management fees charged to subsidiary companies are in respect of administrative functions of the subsidiary companies which are performed by employees of the Company.

b. Significant balances with related parties

The significant balances with related parties have been disclosed in Note 33.

c. Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

The remuneration of members of key management personnel (excluding the remuneration of the Directors as disclosed in Note 8) during the year are as follows:

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Fees	13	13	-	-
Employees Provident Fund contributions	145	149	71	69
Other emoluments	1,582	1,461	589	577
	1,740	1,623	660	646

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel from the Group and the Company amounted to RM56,798 (2006 : RM44,920) and RM11,701 (2006 : RM16,469) respectively.

Notes to the Financial Statements

42. CAPITAL COMMITMENTS

Capital commitments which have been approved and contracted for but not provided for in the financial statements are as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Property, plant and equipment	1,213	-
Investment in a subsidiary company	11,235	-
	12,448	-

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 Standards Board approved accounting standards so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2007 and of the results of their 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 26, 2008

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 26th day of April, 2008.

Before me,

S.SELVARAJAH (B144)
COMMISSIONER FOR OATHS

Analysis of Shareholdings

as at April 30, 2008

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 issue and paid-up share capital of the Company of RM85,522,500 comprising 342,090,000 ordinary shares of RM0.25 each as per Record of Depositors :

DISTRIBUTION OF SHAREHOLDINGS as at April 30, 2008

Size of Shareholdings	No. of Holders	(%)	No. of Shares	(%)
less than 100 shares	46	2.63	530	0.00
100 - 1,000 shares	89	5.09	64,896	0.02
1,001 - 10,000 shares	1,153	65.96	6,301,808	1.84
10,001 - 100,000 shares	387	22.14	11,724,628	3.43
100,001 to 17,104,499 (less than 5% of issued shares)	67	3.84	171,653,538	50.18
17,104,500 and above (5% of issued shares)	6	0.34	152,344,600	44.53
Total	1,748	100.00	342,090,000	100.00

Analysis of Shareholdings

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT APRIL 30, 2008

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Anugaris Sdn. Bhd.	77,892,536	22.77	-	-
Meridian Location Sdn. Bhd.	24,000,000	7.02	-	-
Dato' Kong Hon Kong	2,507,400	0.73	101,892,536 *	29.79
Datin Lau Ah Lan	-	-	104,399,936 #	30.52
Kong Yew Foong	-	-	24,000,000 @	7.02
Dato' Seri Tiong King Sing	39,673,400	11.60	-	-
Tan Sri Dato' Seri Vincent Tan Chee Yioun	5,000,000	1.46	47,828,000 ^	13.98
CIM Dividend Income Fund Limited	31,221,300	9.13	-	-
Platinum Global Dividend Fund Limited	18,102,500	5.29	-	-

Notes:-

* Deemed interest by virtue of his substantial interests in Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd..

Deemed interest by virtue of her spouse's (Dato' Kong Hon Kong) shareholding in the Company, Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd. and her son's (Kong Yew Foong) shareholding in Meridian Location Sdn. Bhd..

@ Deemed interest by virtue of his substantial interests in Meridian Location Sdn. Bhd..

^ Deemed interest by virtue of his interests in Berjaya Sampo Insurance Berhad, Berjaya Langkawi Beach Resort Sdn. Bhd., Selat Makmur Sdn. Bhd., Prime Credit Leasing Sdn. Bhd. and Berjaya Golf Resort Berhad..

DIRECTORS' SHAREHOLDINGS AS AT APRIL 30, 2008

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Jen (B) Tan Sri Yaacob Bin Mat Zain	-	-	50,000 *	0.01
Dato' Kong Hon Kong	2,507,400	0.73	101,892,536 **	29.79
Kong Yew Foong	-	-	24,000,000 #	7.02
Soo Wei Chian	60,008	0.02	-	-
Tan Kean Huat	-	-	1,795,000 @	0.52
Hew Tien Shoong ^	1,253,400	0.37	-	-

* Deemed interest by virtue of his spouse's shareholding in the Company under Section 134(12)(c) of the Companies Act, 1965.

** Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd..

Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Meridian Location Sdn. Bhd..

@ Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Esteem Interest Sdn. Bhd..

^ Resigned with effective from May 1, 2008.

Analysis of Shareholdings

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT APRIL 30, 2008

No.	Name of Shareholders	No. of Shares	(%)
1	OSK Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Dato' Seri Tiong King Sing	39,673,400	11.60
2	ECML Nominees (Asing) Sdn. Bhd. Qualifier: DBS Vickers (Hong Kong) Limited for CIM Dividend Income Fund Limited	31,221,300	9.13
3	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Anugaris Sdn. Bhd. (CSC)	22,000,000	6.43
4	Selat Makmur Sdn. Bhd.	22,000,000	6.43
5	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Meridian Location Sdn. Bhd. (KLM)	20,000,000	5.85
6	HSBC Nominees (Asing) Sdn. Bhd. Qualifier: FGCS NV for Platinum Global Dividend Fund Limited	18,102,500	5.29
7	Anugaris Sdn. Bhd.	16,982,536	4.96
8	Berjaya Sampo Insurance Berhad	16,500,000	4.82
9	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Anugaris Sdn. Bhd.	16,000,000	4.68
10	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	12,780,000	3.74
11	CIMB Group Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Anugaris Sdn. Bhd. (49339 JPLE)	12,000,000	3.51
12	Citigroup Nominees (Asing) Sdn. Bhd. Qualifier: Citigroup GM IPB for CIM Global Property Fund Ltd	11,700,002	3.42
13	HSBC Nominees (Asing) Sdn. Bhd. Qualifier: Exempt an for RBS Coutts Bank Ltd (SG Branch)	11,500,000	3.36
14	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier: CIMB Bank for Anugaris Sdn. Bhd. (Banking)	10,910,000	3.19

Analysis of Shareholdings

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT APRIL 30, 2008 (cont'd)

No.	Name of Shareholders	No. of Shares	(%)
15	Explicit Group Limited	7,738,100	2.26
16	ECML Nominees (Asing) Sdn. Bhd. Qualifier: DBS Vickers (Hong Kong) Limited for Perinvest Dividend Equity Fund Ltd	6,961,100	2.03
17	Berjaya Langkawi Beach Resort Sdn. Bhd.	6,000,000	1.75
18	RC Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Vincent Tan Chee Yioun (M)	5,000,000	1.46
19	Meridian Location Sdn. Bhd.	4,000,000	1.17
20	Wong Swee Yeee	3,194,100	0.93
21	Berjaya Golf Resort Berhad	2,800,000	0.82
22	Hong Hock Ming	2,550,000	0.75
23	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,449,500	0.72
24	Esteem Interest Sdn. Bhd.	1,795,000	0.52
25	Hans Peter Holst	1,620,000	0.47
26	Dato' Kong Hon Kong	1,507,400	0.44
27	Hew Tien Shoong	1,253,400	0.37
28	CIMB Group Nominees (Tempatan) Sdn. Bhd. Qualifier: Anugaris Sdn. Bhd. for Dato' Kong Hon Kong (49339 JPLE)	1,000,000	0.29
29	Amsec Nominees (Asing) Sdn. Bhd. Qualifier: PT Amcapital Indonesia for Feisal Esmail	979,500	0.29
30	Kenanga Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Wong Tin Kwong	900,000	0.26
Total		311,117,838	90.94

List of Properties

as at December 31, 2007

Registered Owner	Description	Location	Existing use	Tenure	Approximate age of building years	Gross Land area	Built-up area	Net book value as at December 31, 2007 (RM)
Nirvana Memorial Park Sdn. Bhd.	Cemetery Land	Lot 1261, 1263-1266, 1298, 1357-1359, 1362, 1365-1367, 1684-1687, PT1169-1171 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Burial plots and urn compartments	Freehold	NA	134.86 acres	NA	2,258,732
	Cemetery Land	Lots 868, 896, 1170 & 1439 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Burial plots and urn compartments	Freehold	NA	201.51 acres	NA	15,318,249
	Agriculture Land	Lots 588 Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Vacant	Freehold	NA	5 acres	NA	8,503
Nirvana Memorial Park (Johor) Sdn. Bhd.	Cemetery Land	EMR 281 Lot 772, EMR 227 Lot 768, GM 83 Lot 769 & EMR 279 Lot 770, HS (M) 4897 Mukim of Senai Kulai District of Johor Bahru Johor	Burial plots and urn compartments	Freehold	NA	48.75 acres	NA	8,024,417
Nirvana Memorial Park (Kuching) Sdn. Bhd.	Cemetery Land	Land Bau, Occupation Ticket No. 1856 of 1928 Senggi Poak Land District Sarawak	Burial plots and urn compartments	99 years leasehold expiring on 2027	NA	17.50 acres	NA	607,687
	Cemetery Land	Land Bau, Occupation Ticket Lot 431, Block 9, Senggi Poak Land District Sarawak	Burial plots and urn compartments	99 years leasehold expiring on 31.12.2040	NA	32.46 acres	NA	946,069
	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	331,929
	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

List of Properties

Registered Owner	Description	Location	Existing use	Tenure	Approximate age of building years	Gross Land area	Built-up area	Net book value as at December 31, 2007 (RM)
Nirvana Memorial Park (Sabah) Sdn. Bhd.	Cemetery Land	Country Lease No. 139535 Mukim of Talipok District of Tuaran Kota Kinabalu, Sabah	Burial plots and urn compartments	99 years leasehold expiring on 24.1.2025	NA	44.41 acres	NA	3,898,228
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	2.61 acres	NA	782,573
Pinang Sepadan Sdn. Bhd.	5 ½ 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	4	35,470 sq. ft.	118,600 sq. ft.	29,986,586
PT Alam Hijau Lestari	4 storey office building	Pusat Niaga Roxy Mas Blok D3/34-35 Jl. K. H. Hasyim Ashari Jalarta Pusat 10150	Office	Leasehold expiring on 2025	15	1,614 sq. ft.	7,400 sq. ft.	843,148

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 ("the Company"), you are required to forward this Statement to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad ("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 Board had on June 2, 2008, announced to Bursa Securities that the Company's proposes to seek the shareholders' approval for a renewal of mandate for the Company to purchase its own shares up to ten per centum (10%) 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 Renewal").

The purpose of this Statement is to provide you with the relevant details of the Proposed Renewal and to seek your approval on the Ordinary Resolution pertaining to the Proposed Renewal to be tabled at the forthcoming Seventeenth Annual General Meeting ("AGM") which will be held on June 26, 2008 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 RENEWAL

The Company had obtained its shareholders' approval in the last AGM held on June 26, 2007, the authority to purchase and/or to hold up to ten per centum (10%) of its total issued and paid-up share capital as quoted on the Bursa Securities. The said authority shall expire at the conclusion of the forthcoming AGM of the Company which will be held on June 26, 2008.

The Company proposes to seek the renewal of the authority to purchase up to ten per centum (10%) of the issued and paid-up share capital of the Company quoted on Bursa Securities. The total issued and paid up share capital of the Company as at April 30, 2008 is RM85,522,500 comprising 342,090,000 ordinary shares of RM0.25 each ("the shares"). The maximum number of shares which may be purchased by the Company shall not exceed 34,209,000 shares based on the issued and paid-up share capital of the Company as at April 30, 2008.

As at the date of this statement, no shares have been purchased by the Company since the date of approval from its shareholders on June 26, 2007.

Share Buy-Back Statement

The Proposed Renewal, if approved, would be effective immediately upon the passing of the ordinary resolution at the forthcoming AGM until the conclusion of the next AGM of the Company, unless earlier revoked or varied by ordinary resolution of shareholders of the Company 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 Listing Requirements stipulates that the Proposed Renewal must be made wholly out of retained profits and/or share premium account of the listed company. As at December 31, 2007, the share premium and retained earnings of the Company were RM38,819 and RM48,625,503 respectively. The Proposed Renewal 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 availability of internal generated funds, actual number of shares to be purchased, and/or held, the anticipated future cash flow and relevant cost factors.

3. RATIONALE FOR THE PROPOSED RENEWAL

The Proposed Renewal 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 Renewal also aims to reduce any unwarranted volatility of its shares, assisting in stabilising the supply, demand and the price of shares in the open market which in return will help to sustain the fundamental value of the shares.

The purchased shares could be held as treasury shares and resold on the Bursa Securities with the intention of realising the potential gain 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 Renewal 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 Renewal. 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 Renewal 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 by using the internal funds of the Company and/or external borrowings. The amount of internal funds and/or external borrowings to be utilised could 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 the Company and its shareholders in undertaking the Proposed Renewal.

Share Buy-Back Statement

4. SHAREHOLDINGS

The following table illustrates the direct and indirect interests of the Directors, the Substantial Shareholders and person connected with the Directors of the Company on April 30, 2008 (being the most practicable date prior to the printing of this Statement)

	Before the Proposed Renewal based on issued and paid-up capital of 342,090,000 ordinary shares of RM0.25 each				After the Proposed Renewal 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.	77,892,536	22.77	-	-	77,892,536	25.30	-	-
Meridian Location Sdn. Bhd.	-	-	24,000,000	7.02	-	-	24,000,000	7.80
Dato' Kong Hon Kong	2,507,400	0.73	101,892,536 *	29.79	2,507,400	0.81	101,892,536 *	33.09
Datin Lau Ah Lan	-	-	104,399,936 #	30.52	-	-	104,399,936 #	33.90
Kong Yew Foong	-	-	24,000,000 ^	7.02	-	-	24,000,000 ^	7.80
Dato' Seri Tiong King Sing	39,673,400	11.60	-	-	39,673,400	12.89	-	-
Tan Sri Dato' Seri								
Vincent Tan Chee Yioun	5,000,000	1.46	47,828,000 @	13.98	5,000,000	1.62	47,828,000 @	15.53
CIM Dividend Income Fund Limited	31,221,300	9.13	-	-	31,221,300	10.14	-	-
Platinum Global Dividend Fund Limited	18,102,500	5.29	-	-	18,102,500	5.88	-	-
Directors								
Jen (B) Tan Sri Yaacob bin Mat Zain	-	-	50,000 +	0.01	-	-	50,000 +	0.02
Dato' Kong Hon Kong	2,507,400	0.73	101,892,536 *	29.79	2,507,400	0.81	101,892,536 *	33.09
Kong Yew Foong	-	-	24,000,000 ^	7.02	-	-	24,000,000 ^	7.80
Soo Wei Chian	60,008	0.02	-	-	60,008	0.02	-	-
Tan Kean Huat	-	-	1,795,000 ##	0.52	-	-	1,795,000 ##	0.58
Hew Tien Shoong (resigned on May 1, 2008)	1,253,400	0.37	-	-	1,253,400	0.41	-	-
Person connected with Directors								
Kong Hong Meng (Brother of Dato' Kong Hon Kong)	365,000	0.11	-	-	365,000	0.12	-	-

Notes:-

- * Deemed interest by virtue of his substantial interests in Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd..
- # Deemed interest by virtue of her spouse's (Dato' Kong Hon Kong) shareholding in the Company, Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd. and her son's (Kong Yew Foong) shareholding in Meridian Location Sdn. Bhd..
- ^ Deemed interest by virtue of his substantial interests in Meridian Location Sdn. Bhd..
- @ Deemed interest by virtue of his interests in Berjaya Sompo Insurance Berhad, Berjaya Langkawi Beach Resort Sdn. Bhd., Selat Makmur Sdn. Bhd., Prime Credit Leasing Sdn. Bhd. and Berjaya Golf Resort Berhad..
- + Deemed interest by virtue of his spouse's shareholding in the Company.
- ## Deemed interest by virtue of his substantial interests in Esteem Interest Sdn. Bhd..

Share Buy-Back Statement

5. EFFECTS OF THE PROPOSED RENEWAL

5.1 Share Capital

Assuming that the Proposed Renewal is implemented fully and the purchased shares are cancelled, the Proposed Renewal 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 April 30, 2008	342,090,000	85,522,500
Assuming the Proposed Renewal 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

However, if the purchased shares are retained as treasury shares, the Proposed Renewal 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 Renewal 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 Renewal 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.

Share Buy-Back Statement

5. EFFECTS OF THE PROPOSED RENEWAL (cont'd)

Share Capital (cont'd)

5.4 Earnings Per Share ("EPS")

The effects of the Proposed Renewal 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. In the event the shares purchased are held as treasury shares or cancelled, the lower number of shares used in the computation of the EPS, all else being equal, are expected to have a positive impact on the EPS of the Group.

5.5 Dividends

Assuming the Proposed Renewal is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued and paid-up share capital of the Company as described under 5.1 above. Nevertheless, the proposed Renewal may have an impact on the Company's dividend policy as it would reduce the cash available which may otherwise be used for dividend payments.

5.6 Public shareholding spread

The Board 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 April 30, 2008, the public shareholding spread of the Company is approximately 32.43% of its total issued and paid up share capital.

6. IMPLICATION RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 1998 ("THE CODE")

As at April 30, 2008, Dato' Kong Hon Kong ("DK"), a major shareholder of NV Multi together with parties deemed acting in concert with him, namely, Anugaris Sdn. Bhd., Meridian Location Sdn. Bhd., Datin Lau Ah Lan, Kong Yew Foong and Kong Hong Meng ("Parties acting in concert"), have a collective shareholdings of approximately 30.63%. In the event that the Proposed Renewal is carried out in full in a period of six (6) months, the shareholdings of the Parties acting in concert would increase to a total of approximately 34.02% of the total issued and paid-up share capital of the Company if the number of ordinary shares held by DK and the Parties acting in concert remains unchanged.

Share Buy-Back Statement

6. IMPLICATION RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 1998 (“THE CODE”) (cont’d)

As at the date hereof, the Company has yet to decide on the percentage of its own shares to be purchased under the Proposed Renewal. However, should the Company decide to purchase its own shares which will result in the Parties acting in concert in any period of six (6) months increasing by more than 2% of the voting shares of the Company, it will seek a waiver from the Securities Commission under Practice Note 2.9.10 of the Code before the Company purchases its own shares resulting in the trigger point being breached.

Save as disclosed above, based on the shareholdings as at April 30, 2008, none of the other existing substantial shareholders is expected to trigger the obligation to undertake a mandatory general offer under the Code as a result of the Proposed Renewal.

7. DIRECTORS’ RECOMMENDATION

Your Board, after careful consideration, are of the opinion that the Proposed Renewal is in the best interest of the Company. Accordingly, your Board recommend that you vote in favour of the resolution to give effect to the Proposed Renewal at the forthcoming AGM.

8. FURTHER INFORMATION

Shareholders could extract other relevant information in relation to the Proposed Renewal from other relevant section of the Annual Report.



NV MULTI
CORPORATION BERHAD
(204888-D)

No. of Shares held

FORM OF PROXY

I/We _____
(Full Name and NRIC/Company No.)

of _____
(Full Address)

being a member of the NV Multi Corporation Berhad hereby appoint _____
(Full Name and NRIC/Company No.)

of _____
(Full Address)

or failing whom, _____
(Full Name and NRIC/Company 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 Seventeenth 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 Thursday, June 26, 2008 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 December 31, 2007 together with the Reports of the Directors and Auditors.		
2.	To declare a first and final dividend of 12% less 26% income tax.		
3.	To re-elect Mr. Kong Yew Foong, as Director.		
4.	To re-elect Mr. Soo Wei Chian, as Director.		
5.	To re-appoint Jen (B) Tan Sri Yaacob Bin Mat Zain, as Director.		
6.	To approve the payment of Directors' fees.		
7.	To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		
8.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	To approve the proposed renewal of Share Buy-Back Authority.		

(Please indicate with an "X" in the appropriate space how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting on any resolution as he/she may think fit.)

Signature of Shareholder(s)/Common Seal

Dated this _____ day of _____, 2008

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 must 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.

fold

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

fold



NV MULTI CORPORATION BERHAD
(204888 - D)