

NV MULTI CORPORATION BERHAD

A N N U A L R E P O R T 2 0 0 8

“essence”
of peace



Cover Rationale

“essence of peace”



The simplicity of the visual provides an understanding of the realities of moving on and the quality of service provided to the clients, in their time of need. The professionalism, dedication, sensitivity and care provided to the clients allow them to have the essential support to deal with the issues at hand. This in turn helps to transcend their loss and guide them to come to terms with their loss.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 25, 2009 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, 2008 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To approve the payment of a first and final dividend of 12% less 25% income tax for the financial year ended December 31, 2008. Resolution 2
3. To re-elect Dato' Kong Hon Kong who retires pursuant to Article 78 of the Company's Articles of Association. Resolution 3
4. To re-elect the following Directors who retire pursuant to Article 85 of the Company's Articles of Association:-
 - a. Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan Resolution 4
 - b. Tan Kean Huat Resolution 5
 - c. Dato' Tang See Hang Resolution 6
 - d. Yap Kim Swee Resolution 7
5. To approve the payment of Directors' fees of RM134,000 for the financial year ended December 31, 2008. Resolution 8
6. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 9

As Special Business

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

7. **Ordinary Resolution**
- Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 Resolution 10

"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."



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

Resolution 11

“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 at the Eighteenth Annual General Meeting to be held on June 25, 2009, a first and final dividend of 12% less 25% income tax for the financial year ended December 31, 2008 will be paid on August 13, 2009 to Depositors whose names appear in the Record of Depositors at the close of business on July 28, 2009.

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 28, 2009 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 JUAN
Company Secretary

Kuala Lumpur
June 1, 2009

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 10, 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 11, 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 will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement on pages 106 - 110 of 2008 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, 2009 are as follows:-

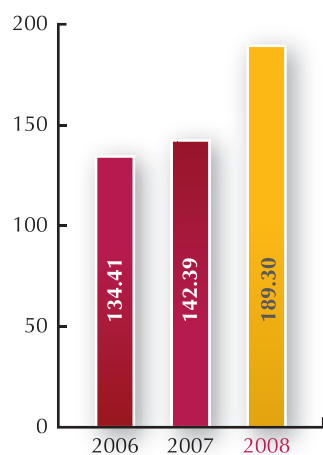
Directors	Direct		Indirect	
	No. of ordinary shares of RM0.25 each held	% of issued shares capital held	No. of ordinary shares of RM0.25 each held	% of issued shares capital held
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	-	-	-	-
Dato' Kong Hon Kong	2,682,400	0.78	105,892,536	30.93
Tan Kean Huat	8,500,000	2.48	1,795,000	0.52
Dato' Tang See Hang	-	-	-	-
Yap Kim Swee	-	-	-	-

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

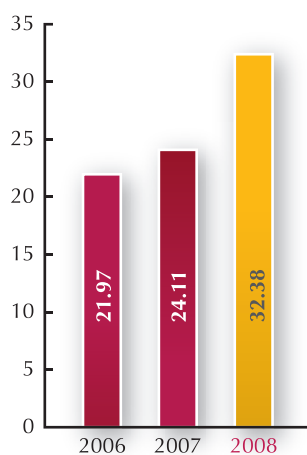
3 Years Group Financial Focus

	2006	2007 [^]	2008 [^]
Turnover (RM Million)	134.41	142.39	189.30
Profit Before Tax (RM Million)	21.97	24.11	32.38
Net Earnings Per Share Attributable to Equity Holders of the Company (Sen)	4.51	4.71	5.29
Equity Attributable to Equity Holders of the Company (RM Million)	170.43	178.23	189.08
Total Assets (RM Million)	408.82	432.29	573.50

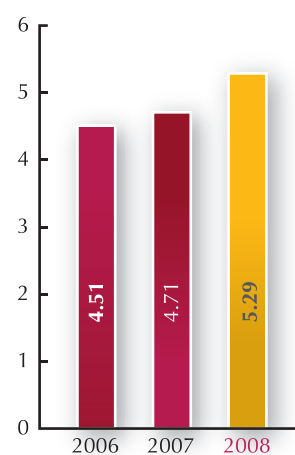
Turnover
(RM Million)



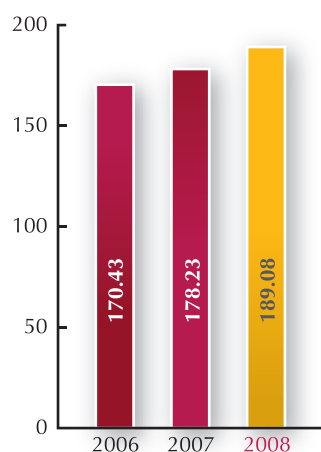
Profit Before Tax
(RM Million)



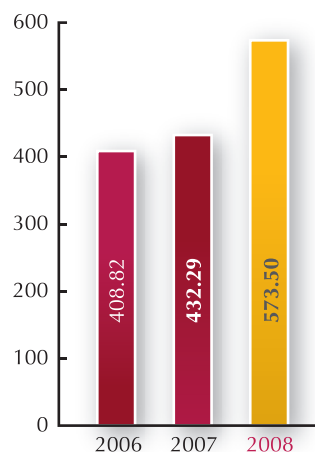
Net Earnings Per Share
Attributable to Equity Holders
of the Company (Sen)



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



Total Assets
(RM Million)



[^] The figures represent continuing and discontinued operations

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. : 088-741 215

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

OLD KLANG ROAD (811) OFFICE

139A, Bt 3^{1/2}, Jalan Kelang Lama
58100 Kuala Lumpur
Tel No. : 03-7983 1366
Fax No. : 03-7982 1366

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

JOHOR JAYA OFFICE

57A, Jalan Dedap 8
Taman Johor Jaya
81100 Johor Bahru, Johor
Tel No. : 07-3577966
Fax No. : 07-3579366

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, 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
Tel No. : 06-963 0937
Fax No. : 06-963 0933

NIRVANA MEMORIAL PARK, SEMENYIH

Batu 6 Jalan Kachau
Semenyih, 43500 Selangor
Tel No. : 03-8723 0598/99
Fax No. : 03-8724 3704

NIRVANA MEMORIAL PARK, SIBU

Sublot 1605, Mile 23
Jalan Oya
96000 Sibu, Sarawak
Tel No. : 012-892 5656
Fax No. : 012-808 4317

SHAH ALAM MEMORIAL PARK

Seksyen 21, Jalan Pusaka 21/1
Off Persiaran Jubli Perak
43000 Shah Alam, Selangor
Tel No. : 012-221 3424
Fax No. : 012-214 4038

TIRAM MEMORIAL PARK

Lot 338, Batu 20
Jalan Sungai Tiram
81800 Ulu Tiram, Johor
Tel No. : 07-861 8811
Fax No. : 07-861 1288

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
Propansi Jawa Barat
Indonesia

CAMBODIA

PHNOM PENH OFFICE

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

SINGAPORE OFFICE ADDRESS

TAO PAYOH OFFICE

Blk 490, Toa Payoh
Lorong 6 #05-10
Singapore 310490

SITE ADDRESS

NIRVANA COLUMBARIUM

950 Old Choa Chu Kang Road
Singapore 699816
Tel No. : 02-6795 3072
Fax No. : 02-6795 3070

TAIWAN

TAIPEI OFFICE

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

Corporate Information

BOARD OF DIRECTORS



Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Independent Non-Executive Chairman

Dato' Kong Hon Kong
Managing Director/Chief Executive Officer

Lee Ah Kong
Executive Director

Kong Yew Foong
Executive Director

Soo Wei Chian
Executive Director

Tan Kean Huat
Non-Independent Non-Executive Director

Dato' Tang See Hang
Independent Non-Executive Director

Yap Kim Swee
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Chairman
Dato' Tang See Hang
Yap Kim Swee

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 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 03-2264 3883
Fax No. : 03-2282 1886

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Ambank (M) 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

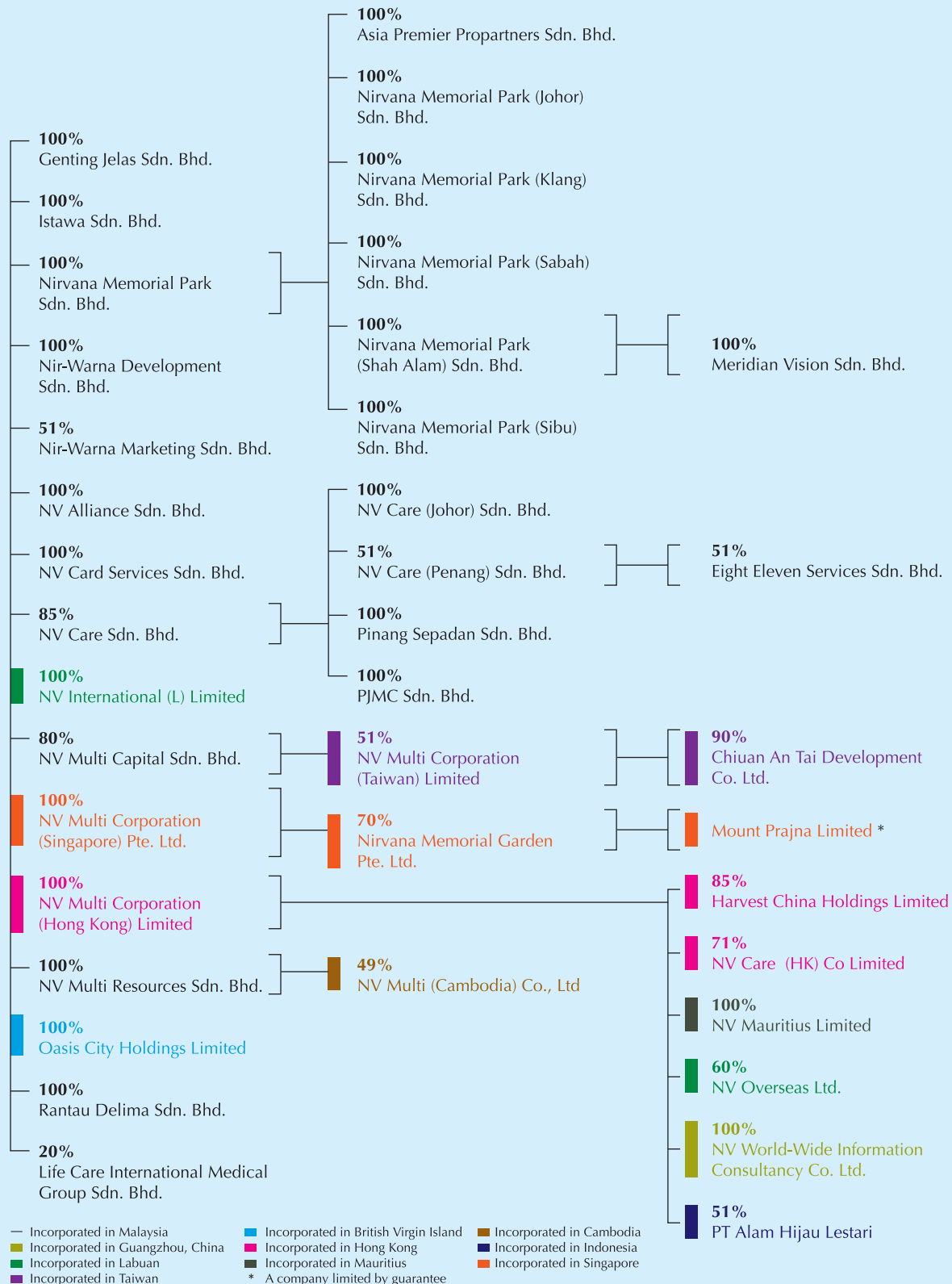
EMAIL ADDRESS

nvmulti@nvmc.com.my

Corporate Structure

as at April 30, 2009

NV MULTI CORPORATION BERHAD



Directors' Profile

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan

Age : 60
Malaysian

Chairman
(Independent Non-Executive Director)

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan was appointed as Independent Non-Executive Chairman of NV Multi on February 17, 2009. He is also the Chairman of Audit, Remuneration and Nomination Committee of the Company.

He holds a Bachelor of Science (Honours) degree in Physics and a Master degree in Industrial Engineering and Management Science.

He has more than 12 years of distinguished service in the Malaysian government. He was elected a member of Parliament in 1995 and was a Deputy Minister in several ministries prior to his retirement in 2008. Before joining the government, he worked as an engineer and in various managerial roles with multinational companies and later founded and successfully managed companies engaged in construction and M&E engineering services.

Currently, he is the Independent Non-Executive Chairman of Tiong Nam Logistics Holdings Berhad and Independent Non-Executive Director of Hirota Holdings Bhd.

He also holds directorship in a private company.

Dato' Kong Hon Kong

Age : 55
Malaysian

Managing Director/Chief Executive Officer
(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 assumed the additional responsibility of Chief Executive Officer on February 17, 2009. 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 Employees Share Option Scheme (ESOS) 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

Age : 63
Malaysian

Executive Director
(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 the 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 is an Independent Non-Executive Director of a non-listed public company and also holds directorships in several private companies.

Kong Yew Foong

Age : 31
Malaysian

Executive Director
(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 the 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/Chief Executive Officer of the Company.

Directors' Profile

Soo Wei Chian

Age : 40
Malaysian

Executive Director
(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 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. Currently, he is the Non-Executive Director of Hwa Tai Industries Berhad.

He also holds directorships in several private companies.

Tan Kean Huat

Age : 51
Malaysian

Director
(Non-Independent Non-Executive Director)

Mr. Tan Kean Huat re-appointed as a Non-Independent Non-Executive Director of NV Multi on August 1, 2008 after he retired as Executive Director on June 26, 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

Dato' Tang See Hang

Age : 57
Malaysian

Director
(Independent Non-Executive Director)

Dato' Tang See Hang was appointed as Director of NV Multi on August 1, 2008. He is also the Member of Audit Committee of the Company.

He has obtained his education at King Edward VII Secondary School, Taiping Perak.

He was a former Selangor State Executive Councillor from 1990 until 2008.

He has vast experience in the field of investment, trade and land matters from his former position as Chairman in the Investment, Industry & Trade Standing Committee and sitting on various committees relating to Land, Finance and Planning in the previous Selangor State Government.

He has also been very active in various charitable organizations. He is currently the President of the Table Tennis Association of Malaysia, President of the Associations of Xiang Qi Selangor and Hon. Patron of the Subang Buddhist Association.

He also hold directorships in several private companies.

Yap Kim Swee

Age : 62
Malaysian

Director
(Independent Non-Executive Director)

Mr. Yap Kim Swee was re-appointed as Director of NV Multi on November 8, 2008. He was previously the Executive Director of NV Multi during the period from January 2, 2003 to December 31, 2004. He is also the Member of Audit Committee of the Company.

He is a member of the Malaysian Institute of Accountants and Fellow of the Association of Chartered Certified Accountants.

He started his career in Hanafiah Raslan Mohd & Partners in 1969. In 1972, he joined Coopers & Lybrand (currently PricewaterhouseCoopers) as an audit senior and was appointed a Director of the firm in 1987. He was admitted to the Partnership in 1991 and retired from the partnership of PricewaterhouseCoopers in 2002. With his many years experience in audit and business advisory, he has extensive knowledge in the operations of various industries covering manufacturing, financial, insurance, telecommunication, housing development and plantation.

He was the Non-Executive Director of Equine Capital Berhad from 2003 to 2008. Currently, he is the Independent Non-Executive Director of Pelikan International Corporation Berhad and Quill Capital Trust.

He also holds 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 past 10 years.



Memo from the Chairman

Touted as the largest and most innovative integrated bereavement care operator in Asia, the Group will continue to strive and sustain steady earning growth by adopting good measures to curb global recessionary impact by designing strategic marketing plans and by restructuring our agency network.

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Chairman

Memo from the Chairman

FINANCIAL PERFORMANCE



Jakarta

FINANCIAL PERFORMANCE

First and foremost, I wish to express my profound gratitude for appointing me as the Group's Chairman. Thank you for giving me this honour.

Now, on behalf of the Board of Directors, it is my pleasure to present to you the Group's annual report for the financial year ended December 31, 2008.

Despite the global financial turmoil, the Group has recorded a remarkable achievement for the year under review with a revenue of RM189.3m. This translates into a growth of 32.9% in the Group's turnover while the pre-tax profit has increased 34.5% from RM24.1 million to RM32.4 million for the year 2008. The bulk of sales were contributed by Shah Alam Memorial Park (SAMP) factored by excellent marketing strategies coupled with established agency networking and the strong "Nirvana" branding. With such strong factors, earnings per share increased by 12.3% from 4.71 cents to 5.29 cents.

Meanwhile, the Group remains lowly geared with net gearing is below 0.2 times as at December 31, 2008. In March 2009, we redeemed the RM35 million Commercial Papers/Medium Term Notes. Going forward, our net gearing ratio is projected to remain low given the strong cash flow from operations.

DIVIDENDS

While some may reserve the money to cushion against the current financial uncertainty, the Group maintains its dividend payout at 40-50% of its net profits by declaring a first and final 3 cents dividend per share for the financial year ended 2008. The Group's strong balance sheet has enabled it to sustain its dividend payout consistently since listing in 2000 thereby assuring the investors our resilient cash flow from the operations and the strong potential growth earnings derived from its business ventures.

PROSPECTS

Touted as the largest and most innovative integrated bereavement care operator in Asia, the Group will continue to strive and sustain steady earning growth by adopting good measures to curb global recessionary impact by designing strategic marketing plans and by restructuring our agency network.

That we achieved a sale of RM67.7 million for Beijing "Si He Courtyard" at SAMP alone is remarkable, the takeover of the Tiram Memorial Park in Ulu Tiram, Johor is expected to further strengthen the Group's performance. Meanwhile, we are confident that our new Tang Villa III-Ming Palace at SAMP, will help to spur our earnings to even greater height.

May I take this opportunity to announce that the Group has in July 2008 acquired the operations of an existing Columbarium situated at Old Choa Chu Kang Road, Singapore. Such acquisition marks another milestone in our overseas expansion plan.

Memo from the Chairman



Shah Alam

BOARD CHANGES

On February 17, 2009, the Group announced the resignation of Jen (B) Tan Sri Yaacob bin Mat Zain and Encik Mohamed Taib bin Mahmood. On behalf of the Board, I would like to express our heartfelt appreciation to Jen (B) Tan Sri Yaacob bin Mat Zain for his valuable contribution as the Chairman of the Group since Year 2000 and Encik Mohamed Taib bin Mahmood for his dedicated service as Non-Executive Director of the Group since Year 2003.

Meantime, I wish to extend a warm welcome to our Non-Executive Directors, Dato' Tang See Hang and Mr. Yap Kim Swee who joined us on August 1, 2008 and November 8, 2008 respectively. With their great wealth of experience, I believe the Board would certainly benefit the relevant expertise from them.

May I also announce that the well-respected founder and Managing Director of NV Multi, Dato' Kong Hon Kong has assumed additional responsibility as the Chief Executive Officer for the Group effective February 17, 2009.

CHOICE OF THE RICH AND FAMOUS - A GOOD TESTIMONY OF EXCELLENT PRODUCT AND PROFESSIONAL SERVICE

The Group continues to enhance its existing memorial parks with various beautification plans, consistent maintenance and upkeep of heard and soft landscape. With constant upgrade of all amenities the park provides a dignified resting place for the departed.

We take pride that the tombs of the rich and famous are found in our memorial park and they have become part of the tourist attraction. Notably:-

- the late legendary singer Bai Kwong tomb constructed with a piano shape like tomb where her signature song "If Without You" can be heard daily;
- the late renowned singer, Lee Yi's tomb comes in the musical notes with his picture hanging in the unique position adorned with a piano like keyboard;
- the late renowned singer, Chew Chin Yui tomb;
- the late Datuk Sim Mow Yu's tomb constructed in the finest traditional art yet with contemporary architectural skill and design; and
- the Cheng Foh Chong Padmasambhava Columbarium.

APPRECIATION

On behalf of the board members, I would like to express my profound appreciation to the management and staff for their undivided commitment and dedication. I would also like to take this opportunity to thank our agents, shareholders, business partners, bankers and suppliers for their continuing support to the Group.

CONCLUSION

The Board wishes to re-affirm our continued efforts in upgrading our products line-up and services. To sustain at the higher level, we endeavour to improve the agency establishment professionally and further strengthen our market share by adopting some strategic measures in the midst of the economic crisis. Most importantly we strive to excel in all aspects in order to produce better returns for our shareholders as well as stakeholders.



Business Review

We will further strengthen our foothold in the local market innovatively with our value added products without losing our focus on service excellence in meeting our customers' needs.

Dato' Kong Hong Kong
Managing Director/Chief Executive Officer

Business Review



Singapore



Cambodia

FINANCIAL RESULTS

Due to overwhelming response for Tang Villa Columbarium at Shah Alam Memorial Park (SAMP), the Group registered a total revenue of RM189.3 million, an increase of 32.9% with a pre-tax profit of RM32.4 million, an increase of 34.5%, for the financial year ended December 31, 2008. Market response to SAMP remains steady. This well-designed memorial park is fast gaining popularity and has become the Group's main source of earnings. Another factor that contributed to the improved performance is the strong brand awareness within our target market and our extensive network of agents.

MEMORIAL PARKS

The Group has a total of 680 acres of land for 8 of our memorial parks and 3 funeral parlour complexes strategically located in various Chinese populated cities in Malaysia, Indonesia and 2 upcoming ones in Cambodia and Taiwan.

Anticipating weaker buying sentiment and increasing rate of inflation in the first half of 2008 followed by economic downturn in the second half of year 2008, we have designed and introduced innovative marketing schemes and "value-for-money" products. Complementing our innovative marketing schemes, we phased our development according to demand to avoid high holding cost.

In view of the strong demand from purchasers of Tang Villa, in March 2009, we offered to our existing purchasers additional products at special introductory prices for Tang Villa III-Ming Palace within our 1+1 Program. This unique 1+1 Program offers lower price to our purchasers without affecting the group profit margin. As expected, the response from our purchasers was positive and hence a continued revenue growth.

Also located in SAMP we have established the most high tech crematorium in the country invested at a cost of RM4 million.

LOCAL ACQUISITION

The acquisition of 70% Tiram Memorial Park Sdn. Bhd. is expected to enhance the Group's earnings.

Tiram Memorial Park Sdn Bhd, operates 10 acres of land in Ulu Tiram, Johor consisting of 2,000 units of niches and of burial plots available for sale together with landscape constructed to reflect oriental heritage.

Business Review

OVERSEAS EXPANSION

The Group has through its subsidiary, Nirvana Memorial Garden Pte. Ltd. acquired an existing columbarium located at Old Choa Chu Kang Road, Singapore and renamed as “Nirvana Columbarium”, at the total consideration of S\$14.0 million.

This columbarium is currently under refurbishment to cater for upmarket families in Singapore.

In Taiwan, under Build, Operate and Own (BOO) scheme offered by Miaoli County, we expect to commence sale and operation in the second half of 2010.

In Cambodia, the first phase development for Nirvana Memorial Park, Phnom Penh will be completed in June 2009 and the launch of our sale is anticipated in the second half of 2009.



FUNERAL SERVICES

The marketing of our pre-need funeral service packages in various schemes continued to gain momentum.

Another new product from the Group worth mentioning here is an assortment of jade and crystal urns engraved with religious mantra.

Our focus on excellence in service allows our customers the opportunity to commemorate a departed life in any manner of their choice. Our service team is trained to ensure that the needs of each individual cultural, religious and financial circumstances are catered for. “White lady” service is well received and continued to gain popularity.

OTHER DEVELOPMENTS

RAM Ratings Services Berhad has in January 2009 reaffirmed the long-term and short term ratings of AA1 and PI for the Group’s RM100 million Commercial Papers/Medium Term Notes Programme (CP/MTN) and has identified 4 major strengths of the Group as follows:-

- Market leader with sound track record;
- Excellent branding within niche segment;
- Strong balance sheet; and
- Sizeable land bank to last through next decade.

The Group has in March 2009 redeemed its RM35 million CP/MTN.

The Group has developed a Quality Management System that was certified ISO 9001: 2000. Since then, the Group has successfully renewed its certification annually.

LOOKING AHEAD

Earnings for all our established memorial parks in the major cities are anticipated to maintain their resilience and underscored by strategic locations. We will further strengthen our foothold in the local market innovatively with our value added products without losing our focus on service excellence in meeting our customers’ needs. With these strategies, we hope to continue to produce better returns for our shareholders as well as stakeholders.

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 through out 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’s Composition

For year 2008, the Board had nine (9) members, comprising four (4) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. 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 the necessary skills, expertise, experience, requisite knowledge and qualities which are vital in the execution of the Board’s responsibilities so that the successful growth within the Group is achievable and sustainable.

The roles of the Chairman and the Managing Director have been clearly segregated to ensure there is check and balance on power and authority.

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

During the year, 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 convened.

Board Committees

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

Corporate Governance Statement

Board Meetings

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

Number of attendance of every member in the Board and its committee meetings which were held during the year ended December 31, 2008 are as follows:-

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Jen (B) Tan Sri Yaacob Bin Mat Zain	5/5	5/5	2/2	2/2
Dato' Kong Hon Kong	5/5	-	2/2	-
Lee Ah Kong	5/5	-	-	-
Kong Yew Foong	5/5	-	-	-
Soo Wei Chian (Resigned as member of Audit Committee on November 8, 2008)	5/5	4/4	-	-
Mohamed Taib Bin Mahmood	5/5	5/5	2/2	2/2
Hew Tien Shoong (Resigned as Director on May 1, 2008)	1/2	-	-	-
Tan Kean Huat	5/5	-	-	-
Dato' Tang See Hang (appointed as Director on August 1, 2008 and as member of Audit Committee on November 1, 2008)	2/2	1/1	-	-
Yap Kim Swee (appointed as Director and member of Audit Committee on November 8, 2008)	1/1	1/1	-	-

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 qualification and working experience before recommending to the Board for approval.

Re-Election of Directors

The Articles of Association states that 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 to seek for re-election at the next annual general meeting.

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 including newly appointed Directors had completed the Mandatory Accreditation Programme in 2008. Additionally, the Directors had already attended various motivational talks, conferences and seminars with various topics touching on the tax updates, tax strategies in the foreign investments, any corporate updates, professional and personal development.

Corporate Governance Statement

Over and above, the Directors will constantly receive briefings pertaining to the updates covering the Group's business operation, risk management activities, the latest development in the related industry, new regulations, if any, and other statutory requirements that are likely to affect the business strategic plans.

The Directors are aware of the need for the regular trainings in order to be business savvy and to keep abreast with the latest developments in the market. Therefore they are encouraged to attend forums and seminars conducted by the external professionals that will help to meet their respective needs and the quest for personal enhancement thereby assisting them to excel in discharging their obligations and performance.

Supply of Information

The Directors has direct access to all information that are available within the Group. From time to time they may make enquiries whenever deemed necessary. All Directors are furnished with agenda and a set of Board papers prior to each Board meeting to get them prepared for any issues to be deliberated and to obtain further explanation if such need arises, before the decision is reached. The Board papers covered issues relating to the 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 Audit Committee's minutes which were circulated together with the Board papers as to how the decision and the salient issues were deliberated by the Audit Committee.

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.

DIRECTORS' REMUNERATION

Remuneration Committee

The Company has adopted the guideline recommended in the Code whereby the level of remuneration of Directors is sufficient to attract, retain and motivate the Directors who have the requisite knowledge, expertise and experience to manage and lead the Group successfully. The Remuneration Committee is responsible for recommending to the Board the remuneration framework for the Directors as well as for the Executive Directors alike.

The remuneration for the Executive Directors is based on an individual performance, seniority, experience, scope of responsibility and commitment. Whereas for the Non-Executive Directors, remuneration will commensurate with their experience, expertise and level of responsibilities entrusted.

Corporate Governance Statement

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, 2008 are appended as follows:-

The Directors' aggregate remunerations are categorized in the respective components which are particularized as follows:

	Executive Directors RM'000	Non-Executive Directors RM'000
Directors' Fees	139	134
Salaries	1,305	-
Bonuses	337	-
Benefits-in-kind	89	-
Other emoluments/allowances	32	15
Shared based payment expenses	121	1
Employee Providend Fund contribution	316	-
Total	2,339	150

The number of Directors of the Company whose total remuneration (including benefits-in-kind) fall within the following bands for the financial year ended December 31, 2008 are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	4
RM50,001 – RM100,000	-	2
RM100,001 – RM200,000	-	-
RM200,001 – RM300,000	1	-
RM300,001 – RM500,000	2	-
RM500,001 - RM850,000	1	-
Total number of Directors	4	6

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

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

The Company's Annual General Meeting ("AGM") is the principal forum for having the dialogues and interaction 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 business operation in general.

Corporate Governance Statement

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 and retrieve any related information including the Group's profile, corporate information, products and services and the events updates.

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

Statement relating to the Company's Internal Control is set out on page 28 to 30 of this Annual Report which contains the explanatory and the status report on internal control within the Group.

Relationship with external Auditors

The Board, via the Audit Committee, maintains a formal yet 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. During the financial year, the Audit Committee had met with the external auditors twice in the absence of the executive board members.

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 the Company in maintaining a proper accounting records that disclose with reasonable accuracy on the financial status of the Group in order to give a true and fair view on the state of affairs of the Group as at December 31, 2008.

The Directors are also entrusted with the duty in safeguarding the Group's assets besides having to adopt some reasonable steps in detecting and preventing fraud or other malpractices.

Corporate Social Responsibility

Being a caring and responsible corporate body, social responsibility is our calling. It is our passion to get involved in every aspect of the social activities for the benefits of all walks of lives that we interact with.

THE COMMUNITY

In a quest for material possessions, career advancement or business expansion in this fast pace era, many especially the younger generation has lost touch with the filial piety concept that often time gave rise to undesirable events where we had witnessed how some elderly people have to fend for themselves in their twilight years. To prevent the further erosion of this valuable tradition, the Group is serious in advocating and educating especially the younger Chinese community the importance of the filial piety value by conducting and sponsoring various related seminars and talks in order to inculcate this moral responsibilities so the younger generation is able to practice this ancient tradition diligently.

NV Multi had since its incorporation initiated a series of activities which serves as the platform in carrying out its charitable projects and other undertakings. To begin with, a columbarium in Nirvana Memorial Park, Semenyih was earmarked for charitable cause to meet the bereavement needs of the deserving and the poor community.

On April 30, 2009, the Group together with NV Foundation had launched the charitable "Love and Care" Plan which was officiated by Deputy Minister of Women, Family & Community Development, Senator Datin Paduka Chew Mei Fun. Admittedly, "Love and Care" Plan is yet another worthy contribution to the community whereby the eligible poor, needy and/or any celibate person is able to benefit from the supply of casket, the provision of funeral service and niches free of charge. The donation of the aforesaid bereavement care products and services certainly have provided these under-privilege people a decent yet dignified resting place upon their demise. This is an unprecedented move from any bereavement care operator in Malaysia and believably we had set a role model for others to emulate and at the end of the day we hope to see many will join hand in hand with us in building a loving and caring society in our country.

As a gesture of our care and support in aid of the quake victims in Sichuan 7.8-Magnitude Earthquake, the Group together with 300 employees and 2000 NV-agents had initialed a donation campaign and raised the fund of RM100,000. In such campaign, all our employees had committed to contribute through their salaries deduction. It is envisaged with this measure, we are able to get everyone in the Group to give the effort concertedly, to send our love through positive action and most importantly, to give the required consolation in times of their grief in the midst of the natural calamities. We concur with this statement that goes "shared grief is half of the sorrow, but happiness when shared is double".

On August 30, 2008, the Group had organized Chinese Art Painting And Calligraphy Gallery exhibition by the renowned Chinese painter and calligrapher - Fang Yau Min. Since charity is our core objective, the working committee had unanimously agreed to donate part of the proceed from this exhibition to the deserving college students as scholarship award.

Other series of charitable events held before were Yayasan CNI in April 2008, the Charity Treasure Hunt in May 2008, One-day Tour for Senior Citizen at Shah Alam Memorial Park in July to September 2008 and Blood Donation Campaign in November 2008.

The Group is geared to meet more challenges ahead in the midst of global economic uncertainties and will endeavour to give whatever contributions that are essential so that more basic needs in the community will be met consistently regardless of their religions, race or nationality.

Corporate Social Responsibility

THE ENVIRONMENT

In March 2009, the Ministry of Health, Malaysia had accorded NV Multi with the Certificate for its success in installing various environmental friendly facilities, the constant upgrading of its bereavement-care services and the maintenance of high standard of cleanliness in its parlour, memorial park and crematorium.

The Group prioritized on its environmental responsibilities by adhering strictly the statutory compliance with the environmental Regulation pertaining to its memorial parks and funeral service centres with the implementation of the following measures:-

- (i) The newly launched Crematorium in Shah Alam Memorial Park had installed with the latest imported technology. The entire procedure will be smokeless, odourless, efficient, fast and hygienic.
- (ii) Beautiful landscaping, lush greeneries, flowering plants and ponds not only form part of eco-system in preserving the environment, they also provide the peaceful and tranquil atmosphere for the visitors. Such peace and tranquility transcend in their mind will undeniably help to sooth the mourners' grief and sorrow.
- (iii) The replacement of joss-sticks with the natural flowers during funeral ceremony in parlors is to eliminate smoke emission and thus helps to preserve the quality of air.

THE WORKPLACE AND HEALTH AWARENESS

Being a responsible corporate citizen, the Group is committed and serious in providing our employees, business associates and public at large a safe and healthy place by setting up an Occupational Safety and Health Committee that oversees these needs for the organization. The Safety and Health Policy was implemented in compliance with the safety guidelines and health regulations of the Occupational Safety and Health Act 1994. Talks on issue of health and safety were conducted regularly in order to disseminate the vital information to our employees.

We believe a well-balanced family and healthy personal life play a major factor in propelling our employees to reach satisfactory work efficiency level and consequently assisting them to reap success in their career opportunities. In line with such objective, the Group had organized various sports activities like giving free Yoga lessons and the formation of the Badminton Club, medical and health screening tests for all eligible employees.

We are very concerned when our employees faced with escalating medical cost, hence providing the financial security takes top priority. Various insurance coverage like group term life insurance, hospital and surgical insurance, personal accident insurance are constantly reviewed and specially designed to meet any untoward incident, death, permanent or temporary disabilities or any critical illnesses. In addition, our employees are eligible to yearly free blood test or free medical check up at the panel medical centre.

The welfare and the interest of the employees are the subjects always close to the hearts of the top management. At no time the staff's benefits were compromised nor deprived. On the contrary, the Group always pledges that it will continue to enhance the staff benefits at all costs when situation warrants to create a positive working environment for its employees as part of its goal towards organizational excellence.

THE EMPLOYEES

Our employees from all levels had played very significant roles in achieving the successful story of the Group.

Being the caring corporate and recognizing our employees as one of our greatest assets, during the year, the Group had offered the Employees Share Option Scheme (ESOS) to employees from all levels. This is an important move aimed in aligning employees' interests to those of shareholders who could be suitably retained on long term basis. Furthermore, the potential staff with excellent performance will be rewarded commensurate with their outstanding contribution whereas a long service staff is accorded with an award/incentives in due recognition of their loyalty to the Group.

When the inflation and petrol crisis hit in the first half of 2008, the Group had mooted and implemented a scheme to render financial assistance to our employees by giving monthly subsistence allowance to manager ranking and below staff to assist our employees to meet the rising costs of living.

Throughout 2008, our Corporate Training Department together with external training professionals had organized a total of 45 courses for our employees, among other courses, Prove it Training Camp, NV School of Management Program, Profiling Workshop, Motivational Workshop and other topics such as ISO Introduction, Internal Quality Audit, product introduction, Feng Shui talk and computer application.

Courses worth elaboration here like Prove it Training Camp which is a team building program for all employees from all levels and different branches aiming to instill the participants with NV caring culture and team spirit. While School of Management is a weekly program to impart the management knowledge and skills to the existing employees. In addition, there were external courses coordinated by the Human Resource Department to help meet the professional training needs of an individual employee who constantly yearns to keep abreast with the latest technical knowledge for continual career advancement and personal development growth.

With both internal and external courses given to our staff, the Group envisions that high quality and excellent staff support will help us to achieve whatever goals set and consequently able to reap a stable revenue growth in the long run that will benefit all the parties concerned.

Internal Control Statement

Pursuant to paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements, 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 responsibility and re-affirms its commitment in maintaining a sound and effective system of internal control to safeguard the shareholders’ investments and the Group’s assets as well as reviewing the adequacy and integrity of the system of internal control.

The system of internal control adopted by the Group covers corporate governance, operational, financial, risk management procedures and compliance controls. Due to the limitations that are inherent in any system of internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure in achieving the Group’s business objectives. The system only provides reasonable, but not absolute assurance against material misstatement or loss.

KEY INTERNAL CONTROL PROCESS

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls are described as follows:-

- The Group maintains a formal organization structure with well defined delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate limits of authority, review and approval procedures in order to enhance the internal control system of the Company’s various operations. These authority limits are in place for all subsidiaries and are subject to continuous review throughout the year;
- The Group has documented policies and procedures that are regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support the Company’s business activities at all times as the Company continues to grow;
- The Group’s key processes are clearly defined in Standard Operating Procedures that are extended to all operating units in the Group. These processes are reviewed on a regular basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group;
- Budgetary control for every operations of the Group, where actual performance is closely monitored against budgets to identify and to address significant variances. Forecasts are revised on a semi-annual basis and monthly operational meetings and regular weekly meetings are conducted among senior management to evaluate and monitor the progress of the business operations;
- 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;

Internal Control Statement

- 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 internal control in the Group;
- The quality of products and services are of prime importance to the Group. Compliance to procedures as outlined in ISO 9001:2000 to ensure quality assurance and control are strictly adhered to via internal quality audits and as well as external quality audit; and
- 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.

There was no material loss incurred during the current year under review, which the Board and management are aware as a result of internal control weaknesses. Management is aware of the needs to continually strengthen the control mechanisms in light of the evolving operating environment.

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 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.

Internal Control Statement

The Internal Audit Department 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 2008 annual report.

Audit Committee Report

Chairman of Audit Committee:

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
(Chairman and Independent Non-Executive Director)

Members:

Dato' Tang See Hang (Independent Non-Executive Director)
Yap Kim Swee (Independent Non-Executive Director)

TERMS OF REFERENCE

COMPOSITION

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not fewer than three (3) members of whom a majority shall be Independent Non-Executive Director.

At least one member of the Audit Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- a person approved under Section 15.10 (1)(c)(ii) of the Bursa Malaysia Securities Berhad (Bursa Securities) Listing Requirements; or
- fulfils such other requirements as prescribed or approved by the Exchange.

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

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

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

QUORUM

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

Audit Committee Report

MEETINGS AND ATTENDANCE

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

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

The Company Secretary shall be the Secretary of the Audit Committee.

The Secretary of the Committee shall circulate the minutes of the Audit Committee meetings 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, 2008.

The attendance of the Audit Committee members was listed as follows:-

Members	Attendance
Jen (B) Tan Sri Yaacob Bin Mat Zain (Chairman)	5/5
Soo Wei Chian (resigned on November 8, 2008)	4/4
Mohamed Taib Bin Mahmood	5/5
Dato' Tang See Hang (appointed on November 1, 2008)	1/1
Yap Kim Swee (appointed on November 8, 2008)	1/1

AUTHORITY

The Committee is authorised by the Board, amongst other things, to:-

- investigate any activity within its Terms of Reference ;
- seek any information from any employees and all employees are directed to co-operate with any request made by the Committee;
- obtain the external legal and/or other independent professional advice; and
- secure the attendance of the external professionals with relevant experience and expertise if it deems necessary.

The Committee shall have direct communication channels and be able to convene meetings with the external auditors without the presence of the non-independent members of the Board and the management, whenever deemed necessary.

The Committee shall be empowered to appoint and remove the internal auditor. The Internal auditor function shall report directly to the Committee.

Audit Committee Report

FUNCTIONS

The duties of the Committee are:-

- 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, the scope and general extent of the external auditors' audit examination;
- To review the quarterly reports and annual financial statements, to consider the following matters before making the submission to the Board, 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 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's investigations and the management's feedback;
- To facilitate the co-ordination between the internal and external auditors;
- To assess 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.

Audit Committee Report

SUMMARY OF ACTIVITIES

The Committee's current year activities were as follows:-

Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group and recommendations to the Board for approvals and adoption prior to an announcement made to the Bursa Securities.
- Reviewed the annual audited financial statements for the financial year ended December 31, 2007 for the Group and the same be submitted to the Board for their consideration and approval accordingly.
- 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 on the internal audit reports, audit recommendations, the management's feedback, improved internal control systems and efficiency enhancement exercise as 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.
- Performing ad-hoc task as required by the Audit Committee.

External Audit

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

Others

- Reviewed and approved the Audit Committee Report, Corporate Governance and Internal Audit Statements.
- Reviewed the Risk Management Reports of the Group.
- Reviewed and verified the Employees Share Option Scheme (ESOS) allocation for year ended December 31, 2008 as to ensure the allocations are made in compliance with the criteria set by the ESOS Option Committee.

Financial Statements

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Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended December 31, 2008.

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 for the year from continuing operations	20,281	932
Profit for the year from discontinued operations	737	-
Profit for the year	21,018	932
Attributable to:		
Equity holders of the Company	18,107	932
Minority interests	2,911	-
	21,018	932

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.

RESERVES AND PROVISIONS

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

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, 2007:	
A first and final dividend of 12% less 26% tax was paid on August 13, 2008	7,600

Directors' Report

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended December 31, 2008 of 12% less 25% tax on 342,331,000 ordinary shares of RM0.25 each outstanding as of year end, amounting to a dividend payable of approximately RM7,702,448 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, 2009.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM85,522,500 to RM85,582,750 by way of the issuance of 241,000 ordinary shares of RM0.25 each for cash pursuant to the exercise of options granted under the Company's Employees Share Option Scheme at the option price of RM0.63 per ordinary share of RM0.25 each.

All new ordinary shares issued during the financial year rank *pari passu* with the then existing ordinary shares of the Company.

The Company did not issue any 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. 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.

The salient features and other terms of the ESOS are disclosed in Note 30 to the financial statements.

During the financial year, the Company granted options to subscribe for ordinary shares of RM0.25 each in the Company, as follows:

Offer date	Number of options granted ('000)	Option price (RM)
February 14, 2008	7,530	0.63
December 10, 2008	3,702	0.48

The number and movement in the share options during the financial year are set out in Note 30.

On April 22, 2009, the Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of option holders who have been granted options in aggregate of less than 150,000 ordinary shares of RM0.25 each. The details of option holders granted options in aggregate of 150,000 ordinary shares of RM0.25 each or above during the financial year are as follows:

Directors' Report

	Number of options over ordinary shares of RM0.25 each			
	As at 1.1.2008	Granted	Exercised	As at 31.12.2008
Dato' Chan Loong Fui	-	165,000	-	165,000
Chan Moey Cheng	-	165,000	-	165,000
Hoo Lai Chen	-	165,000	-	165,000
Kwong Man Heng	-	165,000	-	165,000

Details of options granted to Directors are disclosed in the section on Directors' interests in this report.

DIRECTORS

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

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan (appointed on 17.2.2009)

Jen (B) Tan Sri Yaacob bin Mat Zain (resigned on 17.2.2009)

Dato' Kong Hon Kong

Lee Ah Kong

Kong Yew Foong

Soo Wei Chian

Tan Kean Huat (appointed on 1.2.2008, retired on 26.6.2008 and re-appointed on 1.8.2008)

Dato' Tang See Hang (appointed on 1.8.2008)

Yap Kim Swee (appointed on 8.11.2008)

Mohamed Taib bin Mahmood (resigned on 17.2.2009)

Hew Tien Shoong (resigned on 1.5.2008)

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

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Dato' Tang See Hang and Messrs. Tan Kean Huat and Yap Kim Swee who were appointed to the Board since the last Annual General Meeting, retire under Article 85 of the Company's Articles of Association and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

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, other than those arising from the share options granted under the Company's ESOS as disclosed.

Directors' Report

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 31.12.2008
	As at 1.1.2008	Bought	Sold	
Direct Interest				
Dato' Kong Hon Kong	2,507,400	175,000*	-	2,682,400
Soo Wei Chian	60,008	-	-	60,008
Indirect Interest				
Jen (B) Tan Sri Yaacob bin Mat Zain	50,000**	-	-	50,000**
Dato' Kong Hon Kong	101,892,536	4,000,000	-	105,892,536
Kong Yew Foong	24,000,000	4,000,000	-	28,000,000
Tan Kean Huat	1,795,000	-	-	1,795,000

* Exercise of options granted under ESOS

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

The movements of the options over the unissued ordinary shares of RM0.25 each in the Company granted under the ESOS to the Directors in office at the end of the financial year are as follows:-

	Number of options over ordinary shares of RM0.25 each			As at 31.12.2008
	As at 1.1.2008	Granted	Exercised	
Direct Interest				
Jen (B) Tan Sri Yaacob bin Mat Zain	-	150,000	-	150,000
Dato' Kong Hon Kong	-	525,000	(175,000)	350,000
Lee Ah Kong	-	210,000	-	210,000
Kong Yew Foong	-	200,000	-	200,000
Soo Wei Chian	-	210,000	-	210,000
Tan Kean Huat	-	130,000	-	130,000
Dato' Tang See Hang	-	30,000	-	30,000
Yap Kim Swee	-	30,000	-	30,000
Mohamed Taib bin Mahmood	-	140,000	-	140,000
Deemed Interest				
Dato' Kong Hon Kong	-	280,000	-	280,000***

***Deemed interest by virtue of options granted to his children pursuant to Section 134(12)(c) of the Companies Act, 1965.

Directors' Report

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 interests.

Other than as disclosed above, none of the 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.

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.

Directors' Report

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:

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DATO' KONG HON KONG) Directors
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SOO WEI CHIAN)
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Kuala Lumpur
Date: April 28, 2009

Independent Auditors' Report to the members of NV Multi Corporation Berhad (Incorporated In Malaysia)

Report on the Financial Statements

We have audited the financial statements of **NV MULTI CORPORATION BERHAD**, which comprise the balance sheets of the Group and of the Company as of December 31, 2008, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 98.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standard Board approved accounting standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2008 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as disclosed in Note 16 to the financial statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated in the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' reports on the accounts 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
Partner - 1717/08/09 (J)
Chartered Accountant

April 28, 2009

Income Statements

for the year ended December 31, 2008

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Continuing operations					
Revenue	5	181,906	133,283	12,278	32,805
Cost of sales		(64,289)	(48,167)	-	-
Gross profit		117,617	85,116	12,278	32,805
Other income		2,101	3,160	2,817	3,721
Selling and distribution expenses		(49,628)	(32,723)	-	-
Administrative and other operating expenses		(36,199)	(31,425)	(11,743)	(8,986)
Profit from operations	7	33,891	24,128	3,352	27,540
Finance costs	9	(3,130)	(2,136)	(1,995)	(1,995)
Share of profit/(loss) of an associated company	17	103	(57)	-	-
Income from other investments	10	438	585	137	285
Profit before tax		31,302	22,520	1,494	25,830
Income tax expense	11	(11,021)	(6,859)	(562)	(6,750)
Net profit for the year from continuing operations		20,281	15,661	932	19,080
Discontinued operations					
Net profit for the year from discontinued operations	12	737	1,057	-	-
Net profit for the year		21,018	16,718	932	19,080
Attributable to:					
Equity holders of the Company		18,107	16,120	932	19,080
Minority interests		2,911	598	-	-
		21,018	16,718	932	19,080
Earnings per share attributable to equity holders of the Company (sen):					
- Basic and diluted, for the year from continuing operations		5.15	4.51		
- Basic and diluted, for the year from discontinued operations		0.14	0.20		
- Basic and diluted, for the year	13	5.29	4.71		

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

Balance Sheets

as of December 31, 2008

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	14	38,929	40,173	545	393
Prepaid lease payments	15	2,067	2,101	-	-
Investment in subsidiary companies	16	-	-	16,622	15,330
Investment in an associated company	17	4,103	1,700	4,000	1,700
Other investments	18	211	211	211	211
Sinking fund	19	19,601	26,044	-	-
Deferred acquisition cost	20	21,140	21,170	-	-
Trade receivables					
- non-current portion	21	25,720	7,475	-	-
Pre-need funeral contract receivables					
- non-current portion	22	687	1,074	-	-
Deferred tax assets	23	16,584	14,527	-	-
Goodwill arising on consolidation	24	10,786	8,279	-	-
Total Non-current Assets		139,828	122,754	21,378	17,634
Current Assets					
Inventories and development expenditure	25	298,395	194,984	-	-
Trade and other receivables	21	79,396	72,543	370	340
Tax recoverable		1,892	1,407	294	-
Pre-need funeral contract receivables	22	2,846	6,861	-	-
Amount owing by subsidiary companies	26	-	-	145,570	148,523
Cash and bank balances	27	29,135	33,737	85	5,772
		411,664	309,532	146,319	154,635
Assets classified as held for sale	12	22,005	-	-	-
Total Current Assets		433,669	309,532	146,319	154,635
Total Assets		573,497	432,286	167,697	172,269

(forward)

Balance Sheets

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	28	85,583	85,523	85,583	85,523
Reserves	29	103,495	92,704	44,401	50,246
Equity attributable to equity holders of the Company		189,078	178,227	129,984	135,769
Minority interests		17,411	5,903	-	-
Total Equity		206,489	184,130	129,984	135,769
Non-current and Deferred Liabilities					
Hire-purchase and lease payables - non-current portion	31	1,002	1,235	-	-
Borrowings - non-current portion	32	21,368	35,000	-	35,000
Deferred pre-need funeral contract revenue	33	101,133	111,543	-	-
Deferred tax liabilities	23	2,688	2,496	-	-
Total Non-current and Deferred Liabilities		126,191	150,274	-	35,000
Current Liabilities					
Trade and other payables	34	178,134	93,627	2,557	1,220
Amount owing to subsidiary companies	26	-	-	156	156
Hire-purchase and lease payables	31	647	772	-	-
Borrowings	32	40,754	-	35,000	-
Tax liabilities		1,543	3,483	-	124
		221,078	97,882	37,713	1,500
Liabilities directly associated with assets classified as held for sale	12	19,739	-	-	-
Total Current Liabilities		240,817	97,882	37,713	1,500
Total Liabilities		367,008	248,156	37,713	36,500
Total Equity and Liabilities		573,497	432,286	167,697	172,269

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

Statement of Changes In Equity

for the year ended December 31, 2008

The Group	Attributable to equity holders of the Company							Minority Interests	Total Equity
	Share Capital	Share Premium	Non-distributable Reserves			Distributable Reserve Retained Earnings	Total		
			Revaluation Reserve	Currency Translation Reserve	Capital Redemption Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

(forward)

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

Statement of Changes In Equity

The Group	Attributable to equity holders of the Company								Minority Interests RM'000	Total Equity RM'000
	Non-distributable Reserves					Distributable Reserve				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Total RM'000		
As of January 1, 2008	85,523	39	7,842	80	-	1,582	83,161	178,227	5,903	184,130
Net income recognised directly in equity										
- currency translation differences	-	-	-	(515)	-	-	-	(515)	10	(505)
Net profit for the year	-	-	-	-	-	-	18,107	18,107	2,911	21,018
Total recognised income and expenses for the year	-	-	-	(515)	-	-	18,107	17,592	2,921	20,513
Subscription/Acquisition of shares in subsidiary companies	-	-	-	-	-	-	-	-	9,897	9,897
Additional acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	(20)	(20)
Dilution arising from additional shares in a subsidiary company	-	-	-	-	-	-	(24)	(24)	-	(24)
Dividend paid (Note 35)	-	-	-	-	-	-	(7,600)	(7,600)	-	(7,600)
Dividend paid by a subsidiary company to a minority shareholder	-	-	-	-	-	-	-	-	(1,290)	(1,290)
Share options granted under ESOS	-	-	-	-	731	-	-	731	-	731
Issuance of ordinary shares, pursuant to ESOS (Notes 28 & 29)	60	140	-	-	(48)	-	-	152	-	152
As of December 31, 2008	85,583	179	7,842	(435)	683	1,582	93,644	189,078	17,411	206,489

The Company	Non-distributable Reserves				Distributable Reserve		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000		
As of January 1, 2007		85,523	39	-	1,582	37,661	124,805
Total recognised income and expenses							
- 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
As of January 1, 2008		85,523	39	-	1,582	48,625	135,769
Total recognised income and expenses							
- net profit for the year		-	-	-	-	932	932
Dividend paid (Note 35)		-	-	-	-	(7,600)	(7,600)
Share options granted under ESOS		-	-	731	-	-	731
Issuance of ordinary shares, pursuant to ESOS (Notes 28 & 29)		60	140	(48)	-	-	152
As of December 31, 2008		85,583	179	683	1,582	41,957	129,984

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

Cash Flow Statements

for the year ended December 31, 2008

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM/(USED IN)					
OPERATING ACTIVITIES					
Profit before tax from:					
Continuing operations		31,302	22,520	1,494	25,830
Discontinued operations		1,081	1,587	-	-
Adjustments for:					
Depreciation of property, plant and equipment		4,259	4,156	187	141
Amortisation of prepaid lease payments		34	34	-	-
Share of (profit)/loss of an associated company		(103)	57	-	-
Impairment loss of subsidiary company		-	-	1,356	-
Allowance for doubtful debts		236	-	-	-
Property, plant and equipment written off		36	2	4	-
Interest expense		3,131	2,136	1,995	1,995
Interest income		(441)	(723)	(3,792)	(3,105)
Goodwill written off		7,000	-	-	-
Negative goodwill recognised		(9,572)	-	-	-
(Gain)/Loss on disposal of:					
Property, plant and equipment (net)		(207)	(71)	-	1
Associated company		-	(1,083)	-	(899)
Gross dividend income from subsidiary companies		-	-	-	(22,916)
Share-based payment expense		731	-	731	-
<hr/>					
Operating Profit Before Working Capital Changes		37,487	28,615	1,975	1,047
(Increase)/Decrease in:					
Inventories and development expenditure		(56,308)	(13,050)	-	-
Trade and other receivables		(20,714)	(7,785)	(30)	126
Increase/(Decrease) in:					
Trade and other payables		62,946	24,379	1,337	(157)
<hr/>					
Cash Generated From Operations		23,411	32,159	3,282	1,016
Interest paid		(3,131)	(2,136)	(1,995)	(1,995)
Income tax paid - net		(12,079)	(8,143)	(980)	(441)
<hr/>					
Net Cash From/(Used in) Operating Activities		8,201	21,880	307	(1,420)

(forward)

Cash Flow Statements

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		1,023	151	-	1
Interest received		441	723	2,942	3,105
Acquisition of subsidiary companies	16	(32,897)	(1,535)	(2,508)	(1,919)
Additional investment in an subsidiary company		-	-	(140)	-
Additional investment in an associated company		(2,300)	-	(2,300)	-
Dividend received		-	-	-	16,729
Additions to property, plant and equipment		(4,373)	(1,949)	(343)	(104)
Repayment from/(Advances to) subsidiary companies		-	-	2,953	(13,795)
Net Cash (Used In)/ From Investing Activities		(38,106)	(2,610)	604	4,017
CASH FLOWS FROM/(USED IN)					
FINANCING ACTIVITIES					
Proceeds from shares issued to minority shareholders of subsidiary companies		9,897	91	-	-
Proceeds from exercise of ESOS		152	-	152	-
Interest received - preference share dividend from a subsidiary company		-	-	850	-
Dividend paid		(7,600)	(8,116)	(7,600)	(8,116)
Dividend paid to minority shareholder of a subsidiary company		(1,290)	-	-	-
Proceeds from borrowings		27,122	-	-	-
Repayment of borrowings		-	(3,530)	-	-
Repayment of hire-purchase and lease payables		(703)	(638)	-	-
Net Cash From/(Used In) Financing Activities		27,578	(12,193)	(6,598)	(8,116)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(2,327)	7,077	(5,687)	(5,519)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		33,737	26,966	5,772	11,291
Effect of exchange differences		(733)	(306)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	27	30,677	33,737	85	5,772

Note : During the current financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM4,727,233 (2007: RM2,085,026) and RM343,764 (2007: RM104,563) of which RM353,993 (2007: RM136,332) of the Group was acquired under hire-purchase and lease arrangements. Cash payments for the acquisition of property, plant and equipment of the Group and the Company amounted to RM4,373,240 (2007: RM1,948,694) and RM343,764 (2007: RM104,563) respectively.

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 28, 2009.

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 with the applicable Malaysian Accounting Standards Board (“MASB”) Approved Accounting Standards in Malaysia.

Adoption of Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the revised Financial Reporting Standards (“FRSs”), amendment to FRSs and IC Interpretations (“IC Int.”) issued by MASB that are relevant to their operations and effective for period beginning on or after January 1, 2008 as follows:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
IC Int. 8	Scope of FRS 2 Share-based Payment
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

The adoption of these revised FRSs and IC Int. has no material effect on the financial statements of the Group and of the Company.

Accounting Standards and Interpretations in Issue But Not Yet Effective

At the date of authorisation of issue of these financial statements, the following FRSs and IC were in issue but not yet effective:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments: Recognition and Measurement
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment

Notes to the Financial Statements

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Accounting Standards and Interpretations in Issue But Not Yet Effective (cont'd)

Consequential amendments were also made to various FRS as a result of these new FRS.

Except for FRS 8 which is effective for financial statements for periods beginning on or after July 1, 2009, the above new FRS and IC Int. are effective for periods beginning on or after January 1, 2010. By virtue of the exemption provided in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements of the Group and of the Company upon initial application of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed. The Directors anticipate that all of the above FRSs and IC Int. will be adopted in the Group financial statements for the period commencing January 1, 2010 and that the adoption of these new FRS and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application. The adoption of FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements introduce new disclosure requirement to Group's and the Company's financial instruments and the objectives, policies and processes for managing capital. FRS 8 which replaces FRS1142004 Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group is not required to present its segment information.

3. 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 4, 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 other than as follows:

Development expenditure

The Group recognises sales of burial plots and urn compartments 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; the corresponding cost of development are charged to cost of sales when as the product is ready for delivery. The cost of development is determined by the proportion that the costs incurred to-date bear to the estimated total development costs. Significant judgment is required in the estimation of total development costs. Where the actual total development costs is different from the estimated total development costs, such difference will impact the cost of sales recognised.

Sinking fund

The Group establishes a sinking fund to defray future cost of pre-need funeral contracts. The amount to be set aside out of collections is determined by an independent actuarial consultant based on current cost of services offered and information obtained from the management. When projecting the cost of services for cases to be delivered in future, the actuarial consultant has allowed for expected increases in this cost due to inflation. The management will continue to monitor the cost of services and the assumptions used. In making this judgment the Group evaluates based on their past experiences and by relying on the work of the consultant.

Notes to the Financial Statements

4. 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, 2008. 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.

(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 recognised 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 recognised 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Goodwill (cont'd)

Negative goodwill, which represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised acquired over the cost of the acquisition of the subsidiary companies, is recognised immediately in the income statements.

(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

All investment in unquoted shares of subsidiary and associated companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost. 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.

(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 recognised 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 recognised 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, 2008.

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

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Other Investments

Other investments are shown at cost less impairment loss, if any. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in income statements.

(h) Deferred Acquisition Cost

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

(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

4. 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.

(l) Non-current Assets or Disposal Groups Held for Sale and Discontinued Operations

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the assets or disposal groups are available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell.

A component of the Group is classified as a discontinued operations when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resell.

(m) 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Inventories and Development Expenditure (cont'd)

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

(n) 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.

(o) 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.

(p) 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.

(q) 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.

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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

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.

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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Revenue Recognition (cont'd)

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.

(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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Foreign Currencies (cont'd)

(iii) Financial statements of foreign operations (cont'd)

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

(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.

(iii) Share-based compensation

Under the Company's Employees Share Option Scheme ("ESOS"), share options to acquire ordinary shares of the Company are granted to eligible employees of the Group. Details of the Company's ESOS are disclosed in Note 30. The ESOS, an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any, in the income statements, with a corresponding adjustment to equity. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires or cancelled, upon which it will be transferred directly to retained earnings.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Employee Benefits (cont'd)

(iii) Share-based compensation (cont'd)

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(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.

(x) Financial Instruments

- (i) 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.
- (ii) 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.

Notes to the Financial Statements

5. REVENUE

Included in revenue of the continuing operations are the following:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Bereavement care	181,906	133,283	-	-
Management fees from subsidiary companies	-	-	11,428	9,889
Dividend income (gross) from subsidiary companies	-	-	-	22,916
Interest income - Preference share dividend from a subsidiary company	-	-	850	-
	<u>181,906</u>	<u>133,283</u>	<u>12,278</u>	<u>32,805</u>

Included in revenue of the discontinued operations are the following (Note 12):

	The Group	
	2008 RM'000	2007 RM'000
Bereavement care	<u>7,392</u>	<u>9,111</u>

6. OPERATING COSTS APPLICABLE TO REVENUE

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

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Raw materials, consumables and services used	50,673	35,284	-	-
Changes in inventories of finished goods and work-in-progress	(1,638)	(414)	-	-
Land and development expenditure recognised	15,254	13,297	-	-
Salaries, wages, bonuses	13,263	11,358	3,809	3,212
Employees Provident Fund contributions	1,657	1,341	654	389
Share-based payment expense - ESOS	609	-	214	-
Other employee benefits	<u>3,242</u>	<u>3,514</u>	<u>557</u>	<u>454</u>

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

	The Group	
	2008 RM'000	2007 RM'000
Raw materials, consumables and services used	3,422	1,779
Changes in inventories of finished goods and work-in-progress	(1,176)	424
Land and development expenditure recognised	811	1,287
Salaries, wages, bonuses	257	564
Employees Provident Fund contributions	78	73
Other employee benefits	<u>252</u>	<u>108</u>

Notes to the Financial Statements

7. PROFIT FROM OPERATIONS

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

	Notes	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors' remuneration	8	2,400	1,892	2,261	1,787
Allowance for doubtful debts		236	-	-	-
Auditors' remuneration		289	180	27	25
Rental of:					
Land		2	2	-	-
Equipment		137	68	22	-
Rental of premises payable to:					
Subsidiary company		-	-	960	960
Others		980	699	-	-
Property, plant and equipment written off		36	2	4	-
Depreciation of property, plant and equipment	14	4,018	3,968	187	141
Amortisation of prepaid lease payments	15	34	34	-	-
(Gain)/Loss on disposal of:					
Associated company		-	(1,083)	-	(899)
Property, plant and equipment - net		(207)	(71)	-	1
Rental income		(262)	(97)	-	-
Interest income from:					
Subsidiary companies		-	-	(2,805)	(2,820)
Customers		(3)	(1)	-	-
Others		-	(137)	-	-
Negative goodwill recognised	16	(9,572)	-	-	-
Goodwill written off	16	7,000	-	-	-
Impairment loss on subsidiary company		-	-	1,356	-
Net foreign exchange differences - loss		6	-	-	-

Profit from operations from discontinued operations have been arrived at after charging:

	The Group	
	2008 RM'000	2007 RM'000
Auditors' remuneration	11	11
Rental of premises	60	60
Rental of equipment	9	-
Depreciation of property, plant and equipment	241	188

Notes to the Financial Statements

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive Directors of the Company:				
Fees	139	105	-	-
Employees Provident Fund contributions	316	265	316	265
Share-based payment expense	121	-	121	-
Other emoluments	1,674	1,395	1,674	1,395
	<u>2,250</u>	<u>1,765</u>	<u>2,111</u>	<u>1,660</u>
Non-executive Directors of the Company:				
Fees	134	114	134	114
Share-based payment expense	1	-	1	-
Other emoluments	15	13	15	13
	<u>150</u>	<u>127</u>	<u>150</u>	<u>127</u>
	<u>2,400</u>	<u>1,892</u>	<u>2,261</u>	<u>1,787</u>

The estimated monetary value of benefits-in-kind received and receivable by the Directors from the Group and the Company amounted to RM88,952 (2007: RM85,576) and RM88,952 (2007: RM85,576) respectively.

9. FINANCE COSTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest on:				
Medium Term Notes	1,995	1,995	1,995	1,995
Preference share	150	-	-	-
Revolving credit	61	30	-	-
Bank overdraft	-	1	-	-
Term loan	810	-	-	-
Hire-purchase	115	110	-	-
	<u>3,131</u>	<u>2,136</u>	<u>1,995</u>	<u>1,995</u>

	The Group	
	2008 RM'000	2007 RM'000
Attributable to:		
Continuing operations	3,130	2,136
Discontinued operations	1	-
	<u>3,131</u>	<u>2,136</u>

Notes to the Financial Statements

10. INCOME FROM OTHER INVESTMENTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest income from short-term funds and deposits	438	585	137	285

11. INCOME TAX EXPENSE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Continuing operations				
Current year income tax:				
Malaysian:				
Current year	9,408	7,162	546	6,772
(Over)/Underprovision in prior years	(74)	266	16	(22)
Foreign:				
Current year	2	129	-	-
Underprovision in prior years	96	-	-	-
	9,432	7,557	562	6,750
Deferred tax (Note 23):				
Current year	1,589	(131)	-	-
Overprovision in prior years	-	(567)	-	-
	1,589	(698)	-	-
Total income tax expense from continuing operations	11,021	6,859	562	6,750
Discontinued operations				
Current year income tax:				
Malaysian:				
Current year	463	439	-	-
Underprovision in prior years	52	58	-	-
	515	497	-	-
Deferred tax (Note 23):				
Current year	(171)	33	-	-
Total income tax expense from discontinued operations	344	530	-	-
Total income tax expense	11,365	7,389	562	6,750

Notes to the Financial Statements

11. INCOME TAX EXPENSE (cont'd)

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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Profit before tax from:				
Continuing operations	31,302	22,520	1,494	25,830
Discontinued operations	1,081	1,587	-	-
	<u>32,383</u>	<u>24,107</u>	<u>1,494</u>	<u>25,830</u>
Tax at applicable statutory tax rate of 20% on first RM500,000 of chargeable income and 26% (2007: 27%) on the remaining chargeable income	8,249	6,299	388	6,974
Tax effects of:				
Income that are not taxable in determining taxable profit	(2,343)	(557)	(256)	(320)
Expenses that are not deductible in determining taxable profit	4,274	850	517	231
Effect of different tax rates in other jurisdictions	1,260	962	-	-
Deferred tax asset not recognised	(53)	78	-	-
Group relief on current year tax losses	-	-	(103)	(113)
(Over)/Underprovision in prior years	(22)	(243)	16	(22)
Tax expense for the year	<u>11,365</u>	<u>7,389</u>	<u>562</u>	<u>6,750</u>

As of December 31, 2008, 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.

12. DISCONTINUED OPERATIONS

On May 23, 2006, Nirvana Memorial Park Sdn. Bhd., a wholly-owned subsidiary company of the Company, entered into a Sale and Purchase Agreement to dispose of its entire 65% equity interests representing 65,000 ordinary shares of RM1.00 each in Nirvana Memorial Park (Kuching) Sdn. Bhd. ("NIRK") to Chung Kiaw Garments Sdn. Bhd. ("CKG"), for a cash consideration of RM4.47 million. Madam Wong Nga Yang is a director and substantial shareholder of NIRK and CKG.

The disposal had been completed in April 2009 subsequent to the year end, and will generate an estimated gain of RM1.8 million. As of December 31, 2008, NIRK and its wholly owned subsidiary company, Anglosa Development Sdn. Bhd. ("NIRK Group") has been classified as a disposal group held for sale.

Notes to the Financial Statements

12. DISCONTINUED OPERATIONS (cont'd)

The results from NIRK Group are presented separately on the income statements as discontinued operations as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Revenue	7,392	9,111
Cost of sales	(3,057)	(3,490)
Gross profit	4,335	5,621
Other income	58	(82)
Selling and distribution expenses	(2,051)	(2,469)
Administrative and other operating expenses	(1,260)	(1,483)
Profit from operations	1,082	1,587
Finance costs	(1)	-
Profit before tax	1,081	1,587
Income tax expense	(344)	(530)
Net profit for the year from discontinued operations	737	1,057

The cash flows attributable to NIRK Group are as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Cash flows from operating activities	2,060	3,889
Cash flows used in investing activity	(36)	(37)
Cash flows used in financing activity	(1,298)	(3,744)
Total cash flows	726	108

The major classes of assets and liabilities of NIRK Group classified as held for sale as at December 31, 2008 are as follows:

	2008
	RM'000
Assets:	
Property, plant and equipment	1,111
Sinking fund (Note 19)	818
Deferred acquisition cost (Note 20)	1,890
Deferred tax assets (Note 23)	421
Goodwill arising on consolidation (Note 24)	74
Inventories and development expenditure	12,358
Trade and other receivables	3,035
Pre-need funeral contract receivables	756
Cash and bank balances (Note 27)	1,542
Assets classified as held for sale	<u>22,005</u>

Notes to the Financial Statements

12. DISCONTINUED OPERATIONS (cont'd)

	2008 RM'000
Liabilities:	
Deferred pre-need funeral contract revenue	6,994
Trade and other payables	12,395
Hire-purchase payable	52
Tax liability	298
Liabilities directly associated with assets classified as held for sale	<u>19,739</u>
Net assets attributable to discontinued operations	<u>2,266</u>

13. EARNINGS PER SHARE (EPS)

(a) Basic

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:

	The Group	
	2008 RM'000	2007 RM'000
Net profit from continuing operations attributable to ordinary equity holders of the Company	17,628	15,433
Net profit from discontinued operations attributable to ordinary equity holders of the Company	479	687
	<u>18,107</u>	<u>16,120</u>
	2008 Units '000	2007 Units '000
Weighted average number of ordinary shares in issue	<u>342,205</u>	<u>342,090</u>
	2008	2007
Basic EPS (sen) for :		
Profit from continuing operations	5.15	4.51
Profit from discontinued operations	0.14	0.20
Profit for the year	<u>5.29</u>	<u>4.71</u>

(b) Diluted EPS

For the purpose of calculating diluted EPS, profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

Notes to the Financial Statements

13. EARNINGS PER SHARE (EPS) (cont'd)

(b) Diluted EPS (cont'd)

	The Group	
	2008	2007
	RM'000	RM'000
Net profit from continuing operations attributable to ordinary equity holders of the Company	17,628	15,433
Net profit from discontinued operations attributable to ordinary equity holders of the Company	479	687
	18,107	16,120
		2008
		Units
		'000
Weighted average number of ordinary shares in issue		342,205
Effect of dilution of share options		10
Adjusted weighted average number of ordinary shares in issue and issuable		342,215
		2008
		RM
Diluted EPS (sen) for:		
Net profit from continuing operations attributable to ordinary equity holders of the Company		5.15
Net profit from discontinued operations attributable to ordinary equity holders of the Company		0.14
Net profit attributable to ordinary equity holders of the Company		5.29

The effect of diluted EPS is presented only for current financial year and incorporated only the dilutive effect of the ESOS granted on December 10, 2008.

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2008	As of 1.1.2008 RM'000	Currency translation differences RM'000	Additions RM'000	Addition through subsidiary companies acquired RM'000	Disposals/ Written off RM'000	Reclassified as held for sale RM'000	As of
							31.12.2008 RM'000
Cost							
Short leasehold building	30,712	(111)	3	-	-	-	30,604
Plant and machinery	978	-	444	-	(10)	(50)	1,362
Plant and machinery under lease	550	-	-	-	-	-	550
Furniture and fittings	5,981	(1)	424	201	(100)	(121)	6,384
Office equipment, computer systems and equipment	10,923	(24)	1,076	-	(200)	(1,119)	10,656
Cabin	70	(2)	10	-	-	-	78
Office renovations	3,323	-	425	-	(64)	(125)	3,559
Motor vehicles	10,211	16	990	-	(1,220)	(1,314)	8,683
Motor vehicles under hire-purchase	4,112	(27)	1,355	130	(321)	(371)	4,878
Total	66,860	(149)	4,727	331	(1,915)	(3,100)	66,754

The Group 2008	As of 1.1.2008 RM'000	Currency translation differences RM'000	Charge for the year RM'000	Addition through subsidiary companies acquired RM'000	Disposals/ Written off RM'000	Reclassified as held for sale RM'000	As of	Net Book
							31.12.2008 RM'000	Value 31.12.2008 RM'000
Accumulated Depreciation								
Short leasehold building	2,648	(28)	869	-	-	-	3,489	27,115
Plant and machinery	763	-	159	-	(8)	(23)	891	471
Plant and machinery under lease	82	-	-	-	-	-	82	468
Furniture and fittings	3,074	(1)	592	-	(50)	(68)	3,547	2,837
Office equipment, computer systems and equipment	8,075	(20)	960	32	(126)	(423)	8,498	2,158
Cabin	41	(2)	5	-	-	-	44	34
Office renovations	2,336	-	241	-	(42)	(125)	2,410	1,149
Motor vehicles	8,979	-	1,192	-	(860)	(1,074)	8,237	446
Motor vehicles under hire-purchase	689	(20)	241	72	(79)	(276)	627	4,251
Total	26,687	(71)	4,259	104	(1,165)	(1,989)	27,825	38,929

Notes to the Financial Statements

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

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

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

Notes to the Financial Statements

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

The Company 2008 Cost	As of 1.1.2008 RM'000	Additions RM'000	Written off RM'000	As of 31.12.2008 RM'000
Office equipment, computer systems and equipment	949	343	(7)	1,285
Motor vehicles	5	-	-	5
Office renovations	46	-	-	46
Total	1,000	343	(7)	1,336

Accumulated Depreciation	As of 1.1.2008 RM'000	Charge for the year RM'000	Written off RM'000	As of 31.12.2008 RM'000
Office equipment, computer systems and equipment	594	178	(3)	769
Motor vehicles	5	-	-	5
Office renovations	8	9	-	17
Total	607	187	(3)	791

2007 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

Net Book Value	As of 31.12.2008 RM'000	As of 31.12.2007 RM'000
Office equipment, computer systems and equipment	516	355
Motor vehicles	-	-
Office renovations	29	38
Total	545	393

Notes to the Financial Statements

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

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 an aggregate cost of approximately RM10,594,873 and RM485,592 (2007: RM10,033,650 and RM400,510) respectively.

15. PREPAID LEASE PAYMENTS

	The Group	
	2008	2007
	RM'000	RM'000
Cost:		
At beginning and end of year	2,423	2,423
Accumulated amortisation:		
At beginning of year	322	288
Charge for the year	34	34
At end of year	356	322
Net prepaid lease payments as of December 31	<u>2,067</u>	<u>2,101</u>

The prepaid lease payments comprise upfront payment for two pieces of short leasehold land which have an unexpired lease period of less than 60 years.

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2008	2007
	RM'000	RM'000
Unquoted shares, at cost:		
At beginning of year	13,671	13,411
Addition during the year	2,648	260
At end of year	16,319	13,671
Less: Impairment loss	(1,356)	-
	14,963	13,671
5% Redeemable Convertible Preference Shares of USD1.00 each	1,659	1,659
	<u>16,622</u>	<u>15,330</u>

During the year, an impairment loss of RM1,356,000 (2007 : Nil) was recognised in the income statements as disclosed in Note 7 in respect of the investment cost in a subsidiary company which had ceased operation in prior years.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Direct subsidiary companies of the Company

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
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 Capital Sdn. Bhd.	Malaysia	80	60	Investment holding
NV Multi Corporation (Hong Kong) Limited *	Hong Kong	100	100	Investment holding
NV Multi Corporation (Singapore) Pte. Ltd. *	Singapore	100	100	Investment holding
NV Multi Resources Sdn. Bhd.	Malaysia	100	100	Investment holding
Oasis City Holdings Limited *	British Virgin Islands	100	-	Dormant
Rantau Delima Sdn. Bhd.	Malaysia	100	100	Dormant

Indirect subsidiary companies of the Company

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
Asia Premier Propartners Sdn. Bhd. (formerly known as Nirvana Memorial Park (Penang) Sdn. Bhd.)	Malaysia	100	100	Provision of management services
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. (Note 12)	Malaysia	65	65	Development of rest park, construction, sales of tombs and sales of funeral packages

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(a) Subsidiary companies of Nirvana Memorial Park Sdn. Bhd. (cont'd)

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
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, sales of tombs and sales of funeral packages

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
Anglosa Development Sdn. Bhd. (Note 12)	Malaysia	100	100	Dormant

(c) Subsidiary company of Nirvana Memorial Park (Shah Alam) Sdn. Bhd.

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
Meridian Vision Sdn. Bhd.	Malaysia	100	-	Dormant

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
NV Care (Johor) Sdn. Bhd.	Malaysia	100	100	Dormant
NV Care (Penang) Sdn. Bhd.	Malaysia	51	51	Sales of funeral packages and investment holding
Pinang Sepadan Sdn. Bhd.	Malaysia	100	100	Investment holding
PJMC Sdn. Bhd.	Malaysia	100	100	Dormant

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
Eight Eleven Services Sdn. Bhd.	Malaysia	51	51	Sales of funeral services

(f) Subsidiary company of NV Multi Capital Sdn. Bhd.

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
NV Multi Corporation (Taiwan) Ltd. *	Taiwan	51	51	Investment holding

(g) Subsidiary company of NV Multi Corporation (Taiwan) Ltd.

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
Chiuan An Tai Development Co. Ltd. *	Taiwan	90	-	Investment holding

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
NV World-Wide Information Consultancy Co. Ltd. *	The People's Republic of China	100	100	Dormant
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	71	Dormant
NV Overseas Ltd.	Labuan	60	60	Dormant

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008	Interest 2007	
		%	%	
Nirvana Memorial Garden Pte. Ltd. *	Singapore	70	70	Dormant

- (j) Subsidiary company of Nirvana Memorial Garden Pte. Ltd.

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008	Interest 2007	
		%	%	
Mount Prajna Limited ("MPL")*	Singapore	@	-	Propagate Buddhist faith and teachings and operate a columbarium for Buddhist and people of the faith

- @ MPL is a company limited by guarantee. It is deemed to be a subsidiary company of the Group by virtue of its power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

- (k) Subsidiary company of NV Multi Resources Sdn. Bhd.

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008	Interest 2007	
		%	%	
NV Multi (Cambodia) Co., Ltd. *# ("NVCam")	Cambodia	49	-	Sales and development of the rest park, construction and sales of tombs

- # NVCam is deemed to be a subsidiary company of the Group by virtue of its power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

- * Audited by other firms of auditors.

- i. On February 21, 2008, NV Multi Resources Sdn. Bhd. ("NVRe"), a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement with Khau Kim Bac to jointly set up NV Multi (Cambodia) Co. Ltd. ("NVCam") to undertake the development, operation and management of a memorial park in Cambodia.

During the year, NVRe had subscribed for 98 ordinary shares of US\$25 each representing 49% of the issued and paid up capital of NVCam at a total consideration of US\$2,450.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

- ii. On February 25, 2008, the Company exercised its option to purchase an additional 20% equity interests in NV Multi Capital Sdn. Bhd. ("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 interests in NVCap increased from 60% to 80% and the goodwill arising on this acquisition is as disclosed in Note 24.
- iii. During the year, NV Multi Corporation (Taiwan) Ltd, a 51%-owned subsidiary of NVCap, had acquired and subscribed a total of 90% equity interest in the paid up capital of Chiuan An Tai Development Co. Ltd. ("CAT"). The goodwill arising on this acquisition is as disclosed in Note 24.
- iv. On March 10, 2008, the Company has subscribed for an additional 139,800 ordinary shares of RM1 each at par in Nirvana Memorial Park Sdn Bhd, a wholly-owned subsidiary of the Company, for a cash consideration of RM139,800.
- v. On July 1, 2008, NV Alliance Sdn. Bhd. ("NVA"), a wholly-owned subsidiary of the Company, has been appointed by Tiram Memorial Park Sdn. Bhd. ("Tiram") as the sole marketing agent for marketing and sale of all the funerary products comprised in Tiram Memorial Park for a period of 3 years commencing on July 1, 2008.

On the same date, NVA has entered into an Option Agreement with Messrs Chew Kong Mee and Chew Swe Wing ("Chew"), the existing shareholders of Tiram, to grant NVA the right to acquire 70% equity interests in Tiram at a cash consideration of RM700,000 within the option period expiring on June 30, 2010. As at the date of issue of the financial statements, the option has not been exercised.

- vi. On August 7, 2008, Nirvana Memorial Garden Pte. Ltd. ("NMG"), a 70%-owned subsidiary of NV Multi Corporation (Singapore) Pte. Ltd. which is a wholly-owned subsidiary of the Company, completed the acquisition of management rights in An Le Columbarium Singapore, a columbarium owned by MPL, which was previously managed by Intersanctuary Limited ("Intersanctuary"), for a consideration of S\$3.50 million. NMG had on August 4, 2008 procured full settlement of Intersanctuary's debt owing to Industrial and Commercial Bank of China Limited, Singapore Branch by the payment of S\$10.50 million.

The negative goodwill arising on the acquisition of NMG and MPL was recognised in the income statements as disclosed in Note 7.

- vii. On September 23, 2008, Nirvana Memorial Park (Shah Alam) Sdn. Bhd. a wholly-owned subsidiary of Nirvana Memorial Park Sdn. Bhd. which is a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in Meridian Vision Sdn. Bhd. ("MV") at a cash consideration of RM6.50 million.

The goodwill arising on the acquisition of MV was written off during the year as disclosed in Note 7 as this amount is deemed not recoverable.

Notes to the Financial Statements

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The effects of the acquisitions (ii), (iii), (v) and (vi) above on the financial position of the Group are as follows:

	MPL RM'000	MV RM'000	NVCap RM'000	CAT RM'000	Total RM'000
Purchase consideration - cash consideration	8,280	6,520	2,508	16,853	34,161
Fair value of net assets acquired	(17,852)	480	(20)	(16,760)	(34,152)
(Negative Goodwill)/Goodwill	(9,572)	7,000	2,488	93	9
Assets:					
Property, plant and equipment	6	-	-	44	50
Inventories and development expenditure	43,414	-	-	16,045	59,459
Trade receivables	151	-	-	-	151
Other receivables	19	-	20	71	110
Deferred tax assets	3,704	-	-	-	3,704
	47,294	-	20	16,160	63,474
Liabilities:					
Hire-purchase payables	(44)	-	-	-	(44)
Other payables	(29,403)	(480)	-	(658)	(30,541)
	(29,447)	(480)	-	(658)	(30,585)
Net assets acquired as at date of acquisition	17,847	(480)	20	15,502	32,889
Cash and bank balances	5	-	-	1,258	1,263
Fair value of net assets acquired	17,852	(480)	20	16,760	34,152
(Negative goodwill)/Goodwill	(9,572)	7,000	2,488	93	9
Portion satisfied by cash	8,280	6,520	2,508	16,853	34,161
Less : Cash and bank balances	(5)	*	-	(1,258)	(1,263)
Cash flow on acquisitions, net of cash acquired	8,275	6,520	2,508	15,595	32,898

* Represent RM241

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

	RM'000
Revenue	118
Net loss for the period/Decrease in Group's net profit	<u>(2,237)</u>

MPL did not contribute materially to the results of the Group as the columbarium is under refurbishment since the take-over.

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

	RM'000
Revenue	-
Net loss for the period/Decrease in Group's net profit	<u>(27)</u>

Had the above acquisitions taken effect at the beginning of the year, the revenue and profit before taxation of the Group would have been approximately RM191,121,000 and RM32,567,000 respectively.

Notes to the Financial Statements

17. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	4,000	1,700	4,000	1,700
Share of post-acquisition profits	103	-	-	-
	<u>4,103</u>	<u>1,700</u>	<u>4,000</u>	<u>1,700</u>

On January 2, 2008, the Company increased its equity interests from 8.5% to 20% in Life Care International Medical Group Sdn. Bhd. ("LIMG") through the acquisition of 2,300,000 ordinary shares of RM1.00 each representing 11.5% equity interests in LIMG for a total cash consideration of RM2,300,000.

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

	The Group	
	2008 RM'000	2007 RM'000
Total assets	28,619	26,271
Total liabilities	(7,509)	(6,417)
Net assets	<u>21,110</u>	<u>19,854</u>
Total revenue	<u>11,370</u>	<u>9,373</u>
Total profit for the year	<u>513</u>	<u>723</u>

Details of the associated company are as follows:-

Name of Company	Place of Incorporation	Effective		Principal Activities
		Equity 2008 %	Interest 2007 %	
LIMG	Malaysia	20	8.5 [#]	Trading of medical equipment, provision of medical consultancy and management services.

[#] LIMG is regarded as an associated company in 2007 as the Group was in the position to exercise significant influence over its financial and operating policies through management participation.

18. OTHER INVESTMENTS

	The Group and The Company	
	2008 RM'000	2007 RM'000
Club memberships at cost	211	211
Market value	<u>418</u>	<u>418</u>

Notes to the Financial Statements

19. SINKING FUND

	The Group	
	2008 RM'000	2007 RM'000
At beginning of year	26,044	21,542
Additions net of withdrawals during the year	1,312	1,000
Realised and unrealised (losses)/gains during the year	(6,132)	3,502
Sinking fund classified as held for sale (Note 12)	(1,623)	-
At end of year	19,601	26,044

The funds which are managed by an independent trustee are invested in properties, equity securities, fixed income deposits and unit trust fund. The outstanding amount payable by the Group to the Trustee to meet the sinking fund requirement is approximately RM10,141,000 (2007: RM9,307,000) as of year-end of which RM2,000,000 has been paid subsequent to the financial year-end.

20. DEFERRED ACQUISITION COST

	The Group	
	2008 RM'000	2007 RM'000
At beginning of year	21,170	18,327
Additions during the year	4,306	4,311
Charged to the income statements	(2,446)	(1,468)
Deferred acquisition cost classified as held for sale (Note 12)	(1,890)	-
At end of year	21,140	21,170

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	80,889	64,395	-	-
Allowance for doubtful debts	(267)	(31)	-	-
	80,622	64,364	-	-
Other receivables	14,797	10,262	47	60
Deposits	1,692	1,304	101	205
Prepaid expenses	7,996	4,079	222	75
Stakeholders' fund	9	9	-	-
	105,116	80,018	370	340
Less: Trade receivables - Portion due after 12 months	(25,720)	(7,475)	-	-
	79,396	72,543	370	340

Notes to the Financial Statements

21. TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade receivables is as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Ringgit Malaysia	78,056	58,999
Singapore Dollar	95	-
Indonesian Rupiah	2,471	5,365
	80,622	64,364

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 (2007: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

Included in the deposits of the Group in 2007 is an amount of RM300,000 paid to secure a right for the development of a non-Muslim oriental cemetery which was refunded during the financial year.

22. PRE-NEED FUNERAL CONTRACT RECEIVABLES

	The Group	
	2008	2007
	RM'000	RM'000
Pre-need funeral contract receivables	3,533	7,935
Less: Portion due after 12 months	(687)	(1,074)
Current portion of pre-need funeral contract receivables	2,846	6,861

The Group's normal trade credit ranges from 1 to 12 months (2007: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

23. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2008	2007
	RM'000	RM'000
Deferred tax assets:		
Balance at beginning of year	14,527	14,008
Addition through acquisition of subsidiary company	3,704	-
Transfer (to)/from income statements (Note 11)	(1,226)	519
Deferred tax assets classified as held for sale (Note 12)	(421)	-
Balance at end of year	16,584	14,527

Notes to the Financial Statements

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

The deferred tax assets are in respect of the following:

	The Group	
	2008	2007
	RM'000	RM'000
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	3,348	(753)
Deferred pre-need funeral contract revenue	12,829	14,908
Trade receivables	35	-
Unused tax losses	372	372
	<u>16,584</u>	<u>14,527</u>
Deferred tax liabilities:		
Balance at beginning of year	(2,496)	(2,642)
Transfer from/(to) income statements (Note 11)	(192)	146
Balance at end of year	<u>(2,688)</u>	<u>(2,496)</u>

The deferred tax liabilities are in respect of the following:

	The Group	
	2008	2007
	RM'000	RM'000
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(523)	(530)
Deferred acquisition cost	(1,549)	(1,326)
Cemetery property	(616)	(640)
	<u>(2,688)</u>	<u>(2,496)</u>

As mentioned in Note 4(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, 2008, 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	
	2008	2007
	RM'000	RM'000
Unabsorbed capital allowances	14	26
Unused tax losses	1,085	1,028
	<u>1,099</u>	<u>1,054</u>

The unused tax losses of approximately RM4,339,000 (2007: RM3,954,000) and unabsorbed capital allowances of approximately RM58,000 (2007: RM100,000) are subject to agreement by the tax authorities.

Notes to the Financial Statements

24. GOODWILL ARISING ON CONSOLIDATION

	The Group	
	2008	2007
	RM'000	RM'000
At beginning of year	8,279	6,744
Subscription/acquisition of a subsidiary company (Note 16)	93	1,535
Acquisition of additional shares in a subsidiary company (Note 16)	2,488	-
Goodwill classified as assets held for sale (Note 12)	(74)	-
At end of year	<u>10,786</u>	<u>8,279</u>

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

	The Group	
	2008	2007
	RM'000	RM'000
NV Care Sdn. Bhd.	6,670	6,670
Nirvana Memorial Park (Kuching) Sdn. Bhd.	74	74
Eight Eleven Services Sdn. Bhd.	1,535	1,535
NV Multi Capital Sdn. Bhd.	2,488	-
Chiuan An Tai Development Co. Ltd.	93	-
	<u>10,860</u>	<u>8,279</u>
Goodwill classified as assets held for sale	(74)	-
	<u>10,786</u>	<u>8,279</u>

Key assumptions used in value-in-use calculations

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 five (5) year period. Cash flows beyond the five-year period have been extrapolated using estimated growth rates.

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. Discount rate - pre-tax of 9% (2007: 9%).
- d. Interest rates - the interest rates on the existing financing facilities will prevail.

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Notes to the Financial Statements

25. INVENTORIES AND DEVELOPMENT EXPENDITURE

	The Group	
	2008 RM'000	2007 RM'000
At cost:		
Raw materials	519	527
Work in progress	13,880	12,641
Finished goods	708	851
Funeral stocks	1,461	1,180
	16,568	15,199
Land under development	78,672	35,779
Development expenditure	203,155	144,006
	298,395	194,984

Included in the land under development is TWD390 million (approximately RM41.1 million) paid during the year for 57 pieces of land situated at Long She Sector, Houlong Town, Miaoli County, Taiwan measuring approximately 234,052 sq meters whereby the subsidiary company will "Build, Operate and Own" a memorial park together with a crematorium and a funeral complex.

Included in development expenditure is a columbarium acquired during the year with book value of approximately SGD18.4 million (approximately RM44.3 million) (2007: nil) located at No. 950, Old Choa Chu Kang Road, Singapore as mentioned in Note 12.

26. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	The Company	
	2008 RM'000	2007 RM'000
Amount owing by subsidiary companies	145,570	148,523
Amount owing to subsidiary companies	(156)	(156)
	145,414	148,367

The amounts owing by/(to) subsidiary companies are unsecured, interest free with no fixed terms of repayment except for an amount of RM40,356,575 (2007: RM40,942,626) representing advances to certain subsidiary companies on which interest is charged ranging from 6.70% to 8.00% (2007: 6.70% to 8.00%) per annum.

27. CASH AND BANK BALANCES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short-term funds	-	5,200	-	5,200
Deposits with licensed banks	3,911	721	-	-
Short-term deposits with other licensed corporations	15,870	15,000	-	-
Cash on hand and at banks	9,354	12,816	85	572
	29,135	33,737	85	5,772

Notes to the Financial Statements

27. CASH AND BANK BALANCES (cont'd)

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

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	25,785	27,431	85	5,772
United States Dollar	831	408	-	-
Indonesian Rupiah	1,941	808	-	-
New Taiwan Dollar	11	5,051	-	-
Singapore Dollar	524	-	-	-
Others	43	39	-	-
	<u>29,135</u>	<u>33,737</u>	<u>85</u>	<u>5,772</u>

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% (2007: 2.79% to 4.47%) per annum and have an average maturity ranging from 1 to 365 days (2007: 1 to 365 days).

For the purpose of the cash flow statements, cash and cash equivalents comprise the following at balance sheet date:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	29,135	33,737	85	5,772
Cash and bank balances classified as held for sale (Note 12)	1,542	-	-	-
	<u>30,677</u>	<u>33,737</u>	<u>85</u>	<u>5,772</u>

28. SHARE CAPITAL

	The Group and The Company	
	2008 RM'000	2007 RM'000
Authorised:		
Ordinary shares of RM0.25 each	100,000	100,000

	The Group and The Company	
	2008 RM'000	2007 RM'000
Issued and fully paid:		
Ordinary shares of RM0.25 each		
At beginning of year	85,523	85,523
Issuance of ordinary shares, pursuant to ESOS (Note 30)	60	-
At end of year	<u>85,583</u>	<u>85,523</u>

The new ordinary shares issued rank pari passu with the then existing shares of the Company.

Notes to the Financial Statements

29. RESERVES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-distributable reserves:				
Capital redemption reserve	1,582	1,582	1,582	1,582
Revaluation reserve	7,842	7,842	-	-
Share premium	179	39	179	39
Share option reserve	683	-	683	-
Currency translation reserve	(435)	80	-	-
	9,851	9,543	2,444	1,621
Distributable reserve:				
Retained earnings	93,644	83,161	41,957	48,625
	103,495	92,704	44,401	50,246

a. Revaluation reserve

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning and end of year	7,842	7,842	-	-

Revaluation reserve represents the net surplus arising on the revaluation of the Company's investment in subsidiary companies which was transferred from retained profit of the subsidiary company in prior years.

b. Share premium

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	39	39	39	39
Issuance of ordinary shares, pursuant to ESOS (Note 30)	92	-	92	-
Transfer from share option reserve	48	-	48	-
At end of year	179	39	179	39

c. Share option reserve

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	-	-	-	-
Share options granted under ESOS	731	-	731	-
Transfer to share premium	(48)	-	(48)	-
At end of year	683	-	683	-

Notes to the Financial Statements

29. RESERVES (cont'd)

c. Share option reserve (cont'd)

Share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

d. 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 4(u).

e. Retained earnings

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	83,161	75,157	48,625	37,661
Profit attributable to equity holders of the Company	18,107	16,120	932	19,080
Dilution arising from additional shares in a subsidiary company	(24)	-	-	-
Dividend paid	(7,600)	(8,116)	(7,600)	(8,116)
At end of year	93,644	83,161	41,957	48,625

In accordance with the Finance Act, 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend will no longer be able to claim any tax credit.

Companies without Section 108 tax credit will automatically move to the single tier tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

As of the balance sheet date, the Company has not elected for the irrevocable option to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax exempt income to frank dividends out of its entire retained earnings as of December 31, 2008.

Notes to the Financial Statements

30. 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. 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.

The main features of the ESOS as follows:-

- (i) The Option Committee appointed by the Board of Directors to administer the ESOS, may at its discretion at any time within the duration of the scheme, grant options to eligible employees or eligible Directors of the Group to subscribe for new ordinary shares of RM0.25 each in the Company;
- (ii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company;
- (iii) The Option price for each share, as determined by the Option Committee, shall be at a discount of not more than 10% from the weighted average market price of the shares for the five market days immediately preceding the date on which the option is granted, or at the par value of the shares of the Company of RM0.25, whichever is higher;
- (iv) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of offer but before the expiry of 5 years tenure of ESOS; and
- (v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the then existing ordinary shares of the Company except that new shares will not entitled to any dividends, rights, allotment and/or other distribution declared, made or paid, prior to the date of allotment and issuance of the new shares.

The movements of the offered options over unissued ordinary shares of RM0.25 each and the option prices during the financial year are as follows:

	Number of share options '000	Weighted average exercise price RM
At beginning of year	-	-
Granted	11,232	0.58
Exercised	(241)	0.63
Retracted	(5,157) *	0.58
At end of year	<u>5,834</u>	<u>0.58</u>
Number of options vested at December 31, 2008	<u>2,132</u>	<u>0.58</u>
Weighted average share price during the financial year		<u>0.67</u>

* Total options retracted due to resignations and vesting conditions not met.

Notes to the Financial Statements

30. EMPLOYEES SHARE OPTION SCHEME (“ESOS”) (cont’d)

Details of the Company’s ESOS outstanding as at end of the financial year are as follows:-

Grant Date	Exercise Period	Exercise Price RM	Number of share option outstanding '000	Fair value of options RM
February 14, 2008	July 2008 to February 2012	0.63	2,870	0.20
December 10, 2008	March 2009 to February 2012	0.48	2,964	0.10

Option exercised during the financial year resulted in issuance of 241,000 ordinary shares of RM0.25 each at an exercise price of RM0.63 each. The average share price at the date of exercise was RM0.65.

The resultant premium of RM92,000 arising from the shares issued pursuant to the ESOS above has been credited to the share premium account in Note 29.

31. HIRE-PURCHASE AND LEASE PAYABLES

	The Group	
	2008 RM'000	2007 RM'000
Total principal outstanding	1,649	2,007
Less: Amount due within 12 months	(647)	(772)
Non-current portion	1,002	1,235

Comprising:

(a) Hire-Purchase

	The Group	
	2008 RM'000	2007 RM'000
Total instalments outstanding	1,830	2,067
Less: Interest-in-suspense	(226)	(243)
Principal outstanding	1,604	1,824
Less: Amount due within 12 months	(602)	(621)
Non-current portion	1,002	1,203

Notes to the Financial Statements

31. HIRE-PURCHASE AND LEASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Financial year ending December 31,		
2009	-	562
2010	520	461
2011	286	128
2012	136	52
2013	60	-
	1,002	1,203

(b) Finance lease

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Within one year	53	161	45	151
In the second to fifth years inclusive	-	53	-	32
	53	214	45	183
Less: Future finance charges	(8)	(31)	*	*
Present value of lease payables	45	183	45	183
Less: Amount due within 12 months			45	(151)
Non-current portion			-	32

* Not applicable

The non-current portion is repayable as follows:

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

The average term for hire-purchase and lease is 4 to 7 years. For the financial year ended December 31, 2008, the interest rates implicit in the hire-purchase and lease payables of the Group range from 4.09% to 12.31% (2007: 4.09% to 12.31%) 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

32. BORROWINGS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Shown under Current Liabilities:				
Unsecured				
Medium Term Notes	35,000	-	35,000	-
Term loan	2,642	-	-	-
Revolving credit	2,762	-	-	-
Short-term borrowing	350	-	-	-
	<u>40,754</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Non-current liability				
Term loan (unsecured) - non-current portion	21,368	-	-	-
Medium Term Notes	-	35,000	-	35,000
	<u>21,368</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total borrowings	<u>62,122</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>

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 was unsecured with a fixed interest rate of 5.7% per annum. The MTN had a tenure of 5 years from the date of first issuance. The Company had fully redeemed the MTN of RM35 million upon maturity on March 18, 2009.

The currency profile of borrowings is as follows:

	The Group	
	2008 RM'000	2007 RM'000
United States Dollar	2,762	-
Singapore Dollar	24,010	-
Taiwan Dollar	350	-
Ringgit Malaysia	35,000	-
	<u>62,122</u>	<u>-</u>

The non-current portion is repayable as follows:-

	2008 RM'000
Not later than two years	11,275
Later than two years but not later than five years	10,093
	<u>21,368</u>

Notes to the Financial Statements

32. BORROWINGS (cont'd)

The revolving credit granted to a subsidiary company is denominated in United States Dollar, bears interest at rates ranging from 3.00% to 6.45% per annum, and is guaranteed by the Company.

The term loan which is obtained from a foreign bank and denominated in Singapore Dollar (SGD) consists of a SGD10.0 million loan granted to a foreign subsidiary company, and is secured by a corporate guarantee from the Company. The term loan bears interest at rates ranging from 2.40% to 2.95% per annum. The term loan is repayable by 8 semi-annual instalments of SGD1,100,000 each commencing on August 4, 2009 and a last instalment of SGD1,800,000.

Another term loan which is obtained from a foreign bank and denominated in Taiwan Dollar (TWD), bears interest at the rate of 5.39% per annum and is repayable every 2 months from August 3, 2007 to July 3, 2009. This term loan is guaranteed by a director of the subsidiary company.

33. DEFERRED PRE-NEED FUNERAL CONTRACT REVENUE

	The Group	
	2008 RM'000	2007 RM'000
At beginning of year	105,936	99,856
Sales during the year	10,461	13,310
Exercised and recognised during the year	(7,692)	(7,230)
Deferred pre-need funeral contract revenue classified as held for sale (Note 12)	(6,994)	-
At end of year	101,711	105,936
Cumulative realised and unrealised (loss)/gain in sinking fund	(578)	5,607
	101,133	111,543

34. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade payables	39,504	26,208	-	-
Other payables	24,211	8,382	837	189
Accrued expenses	24,493	12,250	1,720	1,031
Advance billings	44,388	24,037	-	-
Amount owing to minority shareholders	20,883	4,768	-	-
Incentives payable to agents	24,655	17,982	-	-
	178,134	93,627	2,557	1,220

Notes to the Financial Statements

34. TRADE AND OTHER PAYABLES (cont'd)

The currency profile of trade payables is as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Ringgit Malaysia	37,289	24,582
Indonesian Rupiah	2,215	1,626
	<u>39,504</u>	<u>26,208</u>

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 (2007: 30 to 90 days).

Other payables arise mainly from accrued operating expenses. Included in other payables is an amount of RM1,650,000 (2007: RM1,650,000) received from CKG in accordance with the Sale and Purchase Agreement to dispose of 65% equity interest, representing 65,000 ordinary shares of RM1.00 each in NIRK with CKG, whereby Madam Wong Nga Yang is a director and substantial shareholder of NIRK and CKG, for a cash consideration of RM4,470,000. The disposal has been completed in April 2009.

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

The amount owing to minority shareholders is unsecured, interest-free with no fixed terms of repayment except for an amount of RM13,453,358 (2007: Nil) which bears interest at rate of 4.5% per annum.

35. DIVIDENDS

	The Group and The Company	
	2008	2007
	RM'000	RM'000
First and final dividend paid:		
RM0.03 (2007: RM0.0325) gross per ordinary share of RM0.25 each,		
less 26% (2007: 27%) tax	7,600	8,116
	<u>7,600</u>	<u>8,116</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended December 31, 2008 of 12% less 25% tax on 342,331,000 ordinary shares of RM0.25 each outstanding as of year end, amounting to a dividend payable of approximately RM7,702,448 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, 2009.

Notes to the Financial Statements

36. CONTINGENT LIABILITIES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Damages claimed by third parties as a result of earthworks carried out and pending court decision *	2,006	2,006	-	-
Corporate guarantee for banking facilities obtained and utilised by subsidiary companies	-	-	26,771	32
Corporate guarantee for end-financing facilities granted to purchasers, for which no loss is expected **	118	261	118	261
	<u>2,124</u>	<u>2,267</u>	<u>26,889</u>	<u>293</u>

* 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.

** Subsequent to year end, the banking facilities granted to a subsidiary company in respect of end-financing facilities granted to purchasers is secured by a fixed deposit amounting to RM140,000.

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.

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (cont'd)

(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.

(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:

	Notes	2008		2007	
		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	31	1,649	1,551	2,007	2,149
Term loan	32	24,010	22,155	-	-

The fair value of hire-purchase and lease payables and term loan 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 as its businesses in Taiwan, Singapore and Cambodia have not commenced operations while its subsidiary company in Indonesia has yet to contribute significantly to the Group. Accordingly, the financial information by industry and geographical segments of the Group's operations are not presented.

39. 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.

a. Transactions with subsidiary companies

The transactions with subsidiary companies have been disclosed in Notes 5 and 7.

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 34.

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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Fees	-	13	-	-
Employees Provident Fund contributions	141	145	88	71
Share-based payment expense	56	-	36	-
Other emoluments	1,396	1,582	736	589
	<u>1,593</u>	<u>1,740</u>	<u>860</u>	<u>660</u>

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel from the Group and the Company amounted to RM66,014 (2007 : RM56,798) and RM9,993 (2007 : RM11,701) respectively.

Notes to the Financial Statements

40. CAPITAL COMMITMENTS

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

	The Group	
	2008 RM'000	2007 RM'000
Property, plant and equipment	-	1,213
Investment in a subsidiary company	350	11,235
	<u>350</u>	<u>12,448</u>

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation in the current financial year as follows:

2007	The Group		
	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Sinking fund	35,351	9,307	26,044
Included in trade and other payables: Amount owing to sinking fund payable	<u>9,307</u>	<u>(9,307)</u>	<u>-</u>

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, 2008 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 28, 2009

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
KUALA LUMPUR this 28th day of April, 2009.

Before me,

MOHD RADZI BIN YASIN (W327)
COMMISSIONER FOR OATHS

Analysis of Shareholdings

as at April 30, 2009

Authorised Share Capital : RM 100,000,000 divided into 400,000,000 ordinary shares of RM0.25 each
 Issued and Paid-up Share Capital : RM85,582,750 comprising of 342,331,000 ordinary shares of RM0.25 each
 Class of Securities : Ordinary shares of RM0.25 each
 Voting Rights : One (1) vote per ordinary share

The analysis below is based on the issued and paid-up share capital of the Company of RM85,582,750 comprising 342,331,000 ordinary shares of RM0.25 each as per Record of Depositors:

DISTRIBUTION OF SHAREHOLDINGS as at April 30, 2009

Size of Shareholdings	No. of Holders	(%)	No. of Shares	(%)
1 - 99	47	2.70	532	0.00
100 - 1,000	99	5.69	71,296	0.02
1,001 - 10,000	1,128	64.79	6,205,106	1.82
10,001 - 100,000	381	21.88	11,471,620	3.35
100,001 to 17,116,549 (less than 5% of issued shares)	82	4.71	236,148,446	68.98
17,116,550 and above (5% of issued shares)	4	0.23	88,434,000	25.83
Total	1,741	100.00	342,331,000	100.000

Analysis of Shareholdings

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT APRIL 30, 2009

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Anugaris Sdn. Bhd.	77,892,536	22.75	-	-
Meridian Location Sdn. Bhd.	28,000,000	8.18	-	-
Dato' Kong Hon Kong	2,682,400	0.78	105,892,536 *	30.93
Datin Lau Ah Lan	-	-	108,574,936 #	31.72
Kong Yew Foong	-	-	28,000,000 @	8.18
Tan Sri Dato' Seri Vincent Tan Chee Yioun	5,000,000	1.46	49,647,000 ^	14.50
CIM Dividend Income Fund Limited	24,434,000	7.14	-	-

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 Sompoo Insurance Berhad, Berjaya Langkawi Beach Resort Sdn. Bhd., Selat Makmur Sdn. Bhd., Prime Credit Leasing Sdn. Bhd., Berjaya Golf Resort Berhad and Immediate Capital Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT APRIL 30, 2009

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	-	-	-	-
Dato' Kong Hon Kong	2,682,400	0.78	105,892,536 *	30.93
Lee Ah Kong	-	-	-	-
Kong Yew Foong	-	-	28,000,000 #	8.18
Soo Wei Chian	1,060,008	0.31	-	-
Tan Kean Huat	8,500,000	2.48	1,795,000 @	0.52
Dato' Tang See Hang	-	-	-	-
Yap Kim Swee	-	-	-	-

* 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.

Analysis of Shareholdings

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT APRIL 30, 2009

No.	Name of shareholders	No. of Shares	(%)
1	HDM Nomiees (Asing) Sdn Bhd Qualifier: DBS Vickers Secs (S) Pte Ltd for CIM Dividend Income Fund Limited	24,434,000	7.14
2	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Anugaris Sdn Bhd (CSC)	22,000,000	6.43
3	Selat Makmur Sdn Bhd	22,000,000	6.43
4	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Meridian Location Sdn Bhd (KLM)	20,000,000	5.84
5	Berjaya Sompo Insurance Berhad	16,799,000	4.91
6	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Anugaris Sdn Bhd	16,000,000	4.67
7	HSBC Nominees (Asing) Sdn Bhd Qualifier: FGCS NV for Platinum Global Dividend Fund Limited	14,434,000	4.22
8	OSK Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Tiong King Sing	13,873,400	4.05
9	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	12,780,000	3.73
10	Amsec Nominees (Tempatan) Sdn Bhd Qualifier: Ambank (M) Berhad for Anugaris Sdn Bhd	12,400,000	3.62
11	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Anugaris Sdn Bhd (49339 JPLE)	12,000,000	3.51
12	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt An for RBS Coutts Bank Ltd (Sg Branch)	11,500,000	3.36
13	Cimsec Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Bank for Anugaris Sdn Bhd (Banking)	10,910,000	3.19
14	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Tan Kean Huat	8,500,000	2.48
15	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Rich Interest Sdn Bhd	8,500,000	2.48

Analysis of Shareholdings

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT APRIL 30, 2009 (cont'd)

No.	Name of shareholders	No. of Shares	(%)
16	CitiGroup Nominees (Asing) Sdn Bhd Qualifier: CitiGroup GM IPB for CIM Global Property Fund Ltd	8,296,302	2.42
17	Explicit Group Limited	7,738,100	2.26
18	Berjaya Langkawi Beach Resort Sdn Bhd	6,000,000	1.75
19	HDM Nomiees (Asing) Sdn Bhd Qualifier: DBS Vickers Secs (S) Pte Ltd for Perinvest Dividend Equity Fund Limited	5,324,400	1.56
20	Wong Swee Yee	5,220,700	1.53
21	HLG Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Vincent Tan Chee Yioun (M)	5,000,000	1.46
22	Anugaris Sdn Bhd	4,582,536	1.34
23	HSBC Nominees (Tempatan) Sdn Bhd Exempt An for HSBC (Malaysia) Trustee Berhad (GWS - NVCare - 5147)	4,400,000	1.29
24	HSBC Nominees (Tempatan) Sdn Bhd Exempt An for HSBC (Malaysia) Trustee Berhad (GWS - NSH - 5113)	4,400,000	1.29
25	Amsec Nominees (Tempatan) Sdn Bhd Qualifier: Ambank (M) Berhad for Meridian Location Sdn Bhd	4,000,000	1.17
26	Meridian Location Sdn Bhd	4,000,000	1.17
27	Harbourlife Sdn Bhd	3,800,000	1.11
28	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (Sg BR - TST - Asing)	3,000,000	0.88
29	Berjaya Golf Resort Berhad	2,800,000	0.82
30	Tang Yin Seng	2,603,400	0.76
	Total	297,295,838	86.84

List of Properties

as at December 31, 2008

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, 2008 (RM)
Chiuan An Tai Development Co. Ltd	Agriculture Land	Lots 0687-0000, 0691-0000, 0694-0000-0697-0000, 0701-0000-0704-0000, 0904-0000, 0984,0000, 0987-0000-0992-0000, 0995-0000, 0997-0000,1002-0000-1005-0000, 1221-0000, 0688-0000-0689-0000, 0885-0000, 0897-0000, 0902-0000, 0993-0000, 1001-0000, 0690-0000, 0692-0000, 0699-0000, 0710-0000, 0712-0000-0713-0000, 0884-0000, 0886-0000-0887-0000, 0889-0000, 0894-0000-0896-0000, 0903-0000, 0905-0000- 0907-0000, 0909-0000, 0985-0000, 1006-0000, 1008-0000, 1020-0000, 1023-0000, 1083-0000, 1222-0000 Long She Sector, Huolong Town, Miaoli County, Taiwan	Vacant	Freehold	NA	55.27 acres	NA	42,469,524
Mount Prajna Limited	Cemetery Land	950 Old Choa Chu Kang Road, Singapore 699816	Columbarium	30 years leasehold expiring on 13.8.2029	NA	10,000 sq. ft.	NA	12,000,437
Nirvana Memorial Park Sdn. Bhd.	Cemetery Land	Lots 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	2,850,692
	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	14,948,726
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	7,680,167

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, 2008 (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	999 years leasehold expiring on 24.1.2925	NA	44.41 acres	NA	4,741,294
Nirvana Memorial Park (Sibu) Sdn. Bhd.	Agriculture Land	Lot 1501 Block 11 Seduan Land District Ulu Seduan, Sibu	Vacant	60 years leasehold expiring on 31.12.2070	NA	2.61 acres	NA	782,573
Pinang Sepadan Sdn. Bhd.	5½ 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	5	35,470 sq. ft.	118,600 sq. ft.	27,795,816
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	16	1,614 sq. ft.	7,400 sq. ft.	708,225
	Cemetery Land	Desa Margakaya Kecamatan Telukjambe Kabupaten Karawang Propansi Jawa Barat Indonesia	Burial plots	Freehold	NA	74 acres	NA	1,332,101

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 1, 2009, 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 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 Eighteenth Annual General Meeting (“AGM”) which will be held on June 25, 2009 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, 2008, the authority to purchase and/or to hold up to 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 25, 2009.

The Company proposes to seek the renewal of the authority to purchase up to 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, 2009 is RM85,582,750 comprising 342,331,000 ordinary shares of RM0.25 each (“the shares”).

Assuming no further shares are issued, the maximum number of shares which may be purchased by the Company shall not exceed 34,233,100 shares based on the issued and paid-up share capital of the Company as at April 30, 2009.

As at the date of this statement, no shares have been purchased by the Company.

Share Buy-Back Statement

The Proposed Renewal, if approved, would be effective immediately upon the passing of the ordinary resolution at the forthcoming AGM and the same shall remain valid 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 of the Company, 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, 2008, the share premium and retained earnings of the Company were RM179,392 and RM41,956,753 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.

Notwithstanding the above, 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 availability of the 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. EFFECTS OF THE PROPOSED RENEWAL

4.1 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, 2009	342,331,000	85,582,750
Assuming the Proposed Renewal is carried out in full and the shares are subsequently cancelled	(34,233,100)	(8,558,275)
Resultant share capital	308,097,900	77,024,475

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 the 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.

4.2 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.

4.3 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.

4.4 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.

Share Buy-Back Statement

4.5 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 4.1 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.

4.6 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, 2009, the public shareholding spread of the Company is approximately 41.49% of its total issued and paid up share capital.

5. 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, 2009 (being the most practicable date prior to the printing of this Statement):-

	Before the Proposed Renewal based on issued and paid-up capital of 342,331,000 ordinary shares of RM0.25 each				After the Proposed Renewal based on issued and paid-up capital of 308,097,900 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	22.75	-	-	77,892,536	25.28	-	-
Meridian Location Sdn. Bhd.	28,000,000	8.18	-	-	28,000,000	9.09	-	-
Dato' Kong Hon Kong	2,682,400	0.78	105,892,536*	30.93	2,682,400	0.87	105,892,536*	34.37
Datin Lau Ah Lan	-	-	108,574,936#	31.71	-	-	108,574,936#	35.24
Kong Yew Foong	-	-	28,000,000^	8.18	-	-	28,000,000^	9.09
Tan Sri Dato' Seri Vincent Tan Chee Yioun	5,000,000	1.46	49,647,000@	14.50	5,000,000	1.62	49,647,000@	16.11
CIM Dividend Income Fund Limited	24,434,000	7.14	-	-	24,434,000	7.93	-	-
Directors								
Dato' Kong Hon Kong	2,682,400	0.78	105,892,536*	30.93	2,682,400	0.87	105,892,536*	34.37
Kong Yew Foong	-	-	28,000,000^	8.18	-	-	28,000,000^	9.09
Soo Wei Chian	1,060,008	0.31	-	-	1,060,008	0.34	-	-
Tan Kean Huat	8,500,000	2.48	1,795,000##	0.52	8,500,000	2.76	1,795,000##	0.58
Person connected with Directors								
Kong Hong Meng (Brother of Dato' Kong Hon Kong)	365,000	0.11	-	-	365,000	0.12	-	-
Kong Mei Ling (Sister of Dato' Kong Hon Kong)	40,000	0.01	-	-	40,000	0.01	-	-

Share Buy-Back Statement

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 Sompoo Insurance Berhad, Berjaya Langkawi Beach Resort Sdn. Bhd., Selat Makmur Sdn. Bhd., Prime Credit Leasing Sdn. Bhd., Berjaya Golf Resort Berhad and Immediate Capital Sdn. Bhd..
- ## Deemed interest by virtue of his substantial interests in Esteem Interest Sdn. Bhd..

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

As at April 30, 2009, Dato' Kong Hon Kong ("DK"), a major shareholder of the Company together with parties deemed acting in concert with him, namely, Anugaris Sdn. Bhd., Meridian Location Sdn. Bhd., Datin Lau Ah Lan, Kong Yew Foong, Kong Hong Meng and Kong Mei Ling ("Parties acting in concert"), have a collective shareholdings of approximately 31.83%. In the event that the Proposed Renewal is carried out in full in a period of six (6) months with the shareholdings of the Parties acting in concert would inadvertently increase to a total of approximately at 35.37% of the total issued and paid-up share capital of the Company and if the number of ordinary shares held by DK and the Parties acting in concert remains unchanged.

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, 2009, 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.



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 Eighteenth 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 25, 2009 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, 2008 and the Reports of the Directors and Auditors.		
2.	To approve the payment of a first and final dividend of 12% less 25% income tax.		
3.	To re-elect Dato' Kong Hon Kong, as Director.		
4.	To re-elect Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, as Director.		
5.	To re-elect Tan Kean Huat, as Director.		
6.	To re-elect Dato' Tang See Hang, as Director.		
7.	To re-elect Yap Kim Swee, as Director.		
8.	To approve the payment of Directors' fees.		
9.	To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		
10.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
11.	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 thinks fit.)

 Signature of Shareholder(s)/Common Seal

Dated this _____ day of _____, 2009

NOTES:-

- 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.
- 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.
- 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.
- 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)