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Nirvana Asia Announces 2014 Annual Results

**Adjusted profit for the year attributable to owners of the Company
increased by 28.5% to USD44.6 million
Recommended a final dividend of HKD0.05 per ordinary share**

ANNUAL RESULTS HIGHLIGHTS

- Revenue increased by 18.2% compared to last year.
- Adjusted EBITDA^{1,2} increased by 18.2% compared to last year.
- Adjusted profit margin for the year² increased to 28.3%.
- Adjusted profit for the year attributable to owners of the Company² increased by 28.5% compared to last year.
- Contract sales increased by 13.2% compared to last year.
- A final dividend of HKD 0.05 per ordinary share is recommended.

¹ EBITDA is calculated by adding finance cost and depreciation and amortisation to profit before taxation.

² Adjusted to exclude share-based payment expenses of USD3.3 million in 2014, Listing expenses of USD5.3 million in 2014, other expenses relating to the Listing of USD0.3 million in 2014 and reversal of provision for quit rent and assessment of USD1.9 million in 2013, which are non-recurring.

(Hong Kong, 19 March 2015) **Nirvana Asia Ltd** (“Nirvana Asia” or the “Company”, together with its subsidiaries, the “Group”, SEHK stock code: 1438) announces today its annual results for the year ended 31 December 2014.

During the year under review, the Group recorded solid growth in both contract sales and revenue. Contract sales and revenue for the year ended 31 December 2014 amounted to USD206.7 million and USD165.1 million, respectively, representing an increase of 13.2% and 18.2% compared to last year. Gross profit increased by 19.8% year-on-year to USD116.4 million. Gross margin improved by 0.9 percentage point to 70.5%, mainly attributable to product mix, selling price growth and economies of scale. Excluding share-based payment expenses, listing expenses and other expenses relating to the listing of the Company’s ordinary shares on The Stock Exchange of Hong Kong Limited in December 2014 (the “Listing”) totalling USD8.9 million in 2014, and reversal of provision for quit rent and assessment of USD1.9 million in 2013, the Group’s adjusted profit for the year attributable to owners of the Company was USD44.6 million, up by 28.5% year-on-year. Basic earnings per share were US1.74 cents.

The board of directors of the Company recommended a final dividend of HKD0.05 per ordinary share.

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Nirvana Asia offers integrated premium death care services through nine cemeteries in Malaysia, one cemetery in Indonesia, 10 columbarium facilities in Malaysia, one columbarium facility in each of Singapore and Indonesia, and two funeral homes in Malaysia. Pioneering in the pre-need market for death care services in Asia, pre-need segment is the major source of the Group's revenue. For the year ended 31 December 2014, pre-need revenue increased by 21.3% to USD134.7 million, contributing 81.6% of the Group's total revenue. Meanwhile, as-need revenue recorded a mild growth of 5.8% to USD30.4 million, accounting for 18.4% of the Group's total revenue. The increase in revenue was primarily driven by sales of burial services from Bukit Mertajam, Kulai, Semenyih, and Penang, in Malaysia.

In terms of geography, revenue from Malaysia increased by 21.7% to USD140.6 million, accounting for 85.2% of the Group's total revenue. The increase was primarily driven by revenue contribution from the newly acquired cemeteries in Bukit Mertajam in Malaysia, and an increase in sales from the Penang Island columbarium facilities in Malaysia. Revenue from Singapore increased by 22.9% to USD18.2 million, while revenue from Indonesia decreased from USD9.4 million to USD6.3 million due to the limited burial plots inventory in the Group's cemetery near Jakarta in Indonesia.

For the year ended 31 December 2014, average sales price ("ASP") per unit for burial services increased by 5.3% to USD11,462 per unit. The increase was primarily due to change in revenue mix and price revision from different cemeteries. ASP per case for funeral service package increased by 15.0% to USD6,900 per case, primarily due to product mix, price revision and increase in optional related products and services on a per item basis, which created additional revenue sources.

According to Frost and Sullivan, an independent industry consultant, death care services and products are the basic and essential needs of significant importance to the ethnic Chinese population. Increasing grave yard congestion, inadequate maintenance, unpleasant ambience and low security in public cemeteries as well as rapid urbanization, increasing affluence and public awareness have led the ethnic Chinese population to search for high quality death care services and products offered by reputable operators. The management believes that these factors have become the requisite drivers in stimulating future market growth.

The management is also of the view that the death care services market in Malaysia, Singapore, and Indonesia will remain bullish due to the potential of the untapped pre-need markets. According to Frost and Sullivan, the penetration rate of pre-need death care services and products in 2013 was estimated to be 5.8%, 1.9% and 0.8% in Malaysia, Singapore, and Indonesia, respectively. Upon just a 1% increase in penetration rate, it will generate USD373.7 million, USD113.0 million and USD368.4 million of pre-need revenue in Malaysia, Singapore, and Indonesia respectively.

In February 2015, the Group entered into binding cooperation agreement with Huizhou Longyan Art Cemetery Development Co., Ltd. which marked its first step tapping into the China market. In March 2015, the Group acquired the business of tomb design and construction from its tomb contractor. This downstream acquisition would allow the Group to strengthen its capabilities in the death care service sector while pursuing diversified development along the industry value chain. While the Group continues to expand in its home markets, its cemetery in Thailand is expected to launch by the end of March 2015. In addition, its operation in Huizhou, China, is scheduled to commence operation in the third quarter of 2015. The Group is also actively pursuing opportunities in Vietnam and other parts of Indonesia and China.

Dato' Kong Hon Kong, an executive director, the Managing Director and the Chief Executive Officer of Nirvana Asia said, "The Listing of Nirvana Asia signalled a new chapter to take us another step forward in pursuing our expansion in the region. Leveraging on the Group's in-depth industry experience, precise development strategies and execution capabilities, we strive to further strengthen our leading position in the sector by expanding our foothold in new markets, so as to deliver sustainable results to our shareholders."

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**For further information, please contact:
iPR Ogilvy & Mather**

Natalie Tam / Charis Yau / Juliana Li / Candy Tam
Tel: (852) 2136 6182 / 2136 6183 / 2169 0467 / 3920 7626
Fax: (852) 3170 6606
Email: nirvana@iprogilvy.com

About Nirvana Asia

Nirvana Asia is the largest integrated death care service provider in Asia, in terms of contract sales, revenue and land bank in 2013. The Company offers burial and funeral services and products on both as-need and pre-need bases, strategically targeting the premium segment of the death care services market. In 2013, Nirvana Asia is the largest death care service provider in Malaysia and the only commercial columbarium operator in Singapore. Currently, the Company offers death care products and services through a network of 10 cemeteries, 12 columbarium facilities, six on-site crematoria and two funeral homes in Malaysia, Indonesia and Singapore.