

FOR IMMEDIATE RELEASE



Nirvana Asia Announces 2015 Interim Results

**Core business sustains rapid growth with enhanced profit margins
Profit for the period attributable to owners of the Company
grows by 179.1% to USD37.4 million
Actively pursuing new opportunities to expand revenue stream**

INTERIM RESULTS HIGHLIGHTS

- Revenue increased by 10.7% in USD terms or 23.5% in RM terms as compared to 1H 2014.
- EBITDA¹ increased by 107.1% in USD terms or 130.3% in RM terms as compared to 1H 2014.
- Profit for the period attributable to owners of the Company increased by 179.1% in USD terms or 209.3% in RM terms as compared to 1H 2014.
- Adjusted profit for the period attributable to owners of the Company² increased by 13.7% in USD terms or 26.8% in RM terms as compared to 1H 2014.
- Profit margin for the period attributable to owners of the Company increased to 47.9% from 19.0% for 1H 2014.
- Adjusted profit margin for the period attributable to owners of the Company² increased to 25.5% from 24.8% for 1H 2014.
- Contract sales increased by 2.1% in USD terms or 13.9% in RM terms as compared to 1H 2014.
- An interim dividend of HKD0.03 per ordinary share is declared.

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

² Adjusted to exclude (a) USD3.3 million in share-based payment expenses in 2014, (b) USD0.7 million of other expenses relating to the Listing of the Company's ordinary shares on The Stock Exchange of Hong Kong Limited in December 2014, and (c) USD17.5 million of net foreign exchange gain in 2015 (2014: USD0.1 million of net foreign exchange loss).

(Hong Kong, 26 August 2015) **Nirvana Asia Ltd** ("Nirvana Asia" or the "Company", together with its subsidiaries, the "Group", SEHK stock code: 1438) announces today its interim results for the six months ended 30 June 2015 ("1H 2015").

During the period under review, the Group recorded a steady growth in both revenue and contract sales, although the weaker RM has resulted in smaller growth in terms of USD, the Group's reporting currency. Revenue for 1H 2015 increased by 10.7% in USD terms to USD78.1 million or 23.5% in RM terms to RM284.5 million as compared to 1H 2014. Contract sales rose by 2.1% in USD terms or 13.9% in RM terms. Gross profit margin has improved by 1.3 percentage points to 72.4%. Profit for the period attributable to owners of the Company increased by 179.1% in USD terms and 209.3% in RM terms as compared to 1H 2014. Excluding net foreign exchange gain of USD17.5 million for 1H 2015, the Group's adjusted profit attributable to owners of the Company for 1H 2015 amounted to USD19.9 million, an increase of 13.7% in USD terms and 26.8% in RM

terms. This resulted in the basic earnings per share having increased by 97.1% to US1.38 cents. The board of directors of the Company has declared an interim dividend of HKD0.03 per ordinary share.

The growth in adjusted profit for the period attributable to owners of the Company was primarily driven by (i) an improvement in gross profit margin for tomb design and construction due to the acquisition of tomb business in March 2015, and the higher gross profit margin for niches and funeral services, (ii) lower selling and distribution expenses as a percentage to revenue, and (iii) lower profit attributable to non-controlling interests.

Pioneering in the pre-need market for death care services in Asia, the Group continues to grow its business in the pre-need market. Pre-need revenue was ahead of the top line growth of the Group and increased by 12.1% to USD63.0 million during the review period, which contributed to 80.6% of the Group's total revenue. Meanwhile, the as-need revenue recorded a growth of 5.1% to USD15.1 million, which accounted for 19.4% of the Group's total revenue.

The revenue increase was primarily driven by sales of burial services from the Penang Island, Bukit Mertajam, Semenyih and Kulai, in Malaysia. As such, the revenue from Malaysia has increased by 17.6% to USD69.5 million, which accounted for 89.0% of the Group's total revenue. Despite a higher contract sales in 1H 2015 as compared to 1H 2014, revenue from Singapore reduced by 37.3% to USD5.3 million mainly due to the time lag of revenue recognition. On the other hand, revenue from Indonesia has increased by 8.5% to USD3.3 million.

The sales volume went up across all the product lines, whilst the average selling price ("ASP") per unit was mixed with burial plots and niches both rising. The ASP per case for funeral services was reduced by 11.8%, primarily due to higher sales of pre-need funeral service packages which have lower sales prices, as compared to as-need funeral service packages. The ASP per unit for tomb design and construction was down primarily due to sales of several large personalized garden tombs of high sales prices from Semenyih, Bukit Mertajam and Kulai, Malaysia, in 2014.

Meanwhile, contract sales increased by 2.1% in USD terms, primarily due to higher sales from Kuala Lumpur in Malaysia, Singapore and Indonesia. In addition, our new cemetery in Thailand has contributed approximately 1.3% contract sales to the Group.

As a long-term strategy, the Group intends to increase its revenue by further expanding overseas through merger and acquisition as well as organic growth by developing new cemeteries. During 1H 2015, the Group has successfully entered China and Vietnam. The moves allow the Group to have immediate access to the lucrative markets in Asia where the Group has no existing presence and to capture new opportunities for growth. The sales in Huizhou city, China, is expected to commence in the third quarter of 2015, whilst the sales of burial services in Vietnam is targeted to commence in the second quarter of 2016. The Group is aggressively exploring and pursuing new opportunities in China to further bolster its revenue stream.

Furthermore, the Group has strengthened its business presence in the existing markets. In its home market, the Group has completed several acquisitions which have provided approximately 550,000 sq.m. of cemetery land at several locations in Malaysia. In February 2015, the Group had commenced the construction of a funeral parlour cum columbarium complex, Nirvana Center Kuala Lumpur, in the city of Kuala Lumpur, Malaysia. Sale of niches within the columbarium on a pre-need basis commenced in April this year. The construction of a 12-storey building, which is expected to house approximately 100,000 double niches equivalent, is expected to be completed by the end of 2017 as phase 1 of the entire construction project. In June 2015, the Group had established a joint venture agreement with Klang Kwong Tung Association to construct columbarium complexes close to the Klang city, in Malaysia, which are expected to house

approximately 40,000 double niches equivalent, and a funeral parlour complex in the Klang city itself. In Indonesia, the Group have acquired 270,000 sq.m. of land and is in the process of acquiring another 230,000 sq.m of land. In Singapore, the Group has received formal approval from the relevant authority to erect and add more floors to the existing buildings, which will greatly increase the built-up capacity of the existing columbarium by almost four times from 11,000 sq.m to 43,000 sq.m. In Thailand, the Group has commenced sales of burial plots at its cemetery on a pre-need basis.

As of 30 June 2015, there was approximately 2.7 million sq.m. of land available for sales as burial plots or were available for future development (excluding cemetery land of 400,000 sq.m. in Vietnam), and there were approximately 389,700 units of niches for sale or were available for future development.

Dato' Kong Hon Kong, the founder, an executive director, the Managing Director and the Chief Executive Officer of Nirvana Asia said, "The demand for death care services in Asia continues to grow with enormous potential for development in this industry, despite a challenging economic outlook. As one of the largest integrated death care service providers in Asia, the Group will continue to leverage on our industry know-how and executive and financial capabilities, which could strengthen our operations in existing markets and actively expand into new markets in order to solidify our market leadership and deliver sustainable results to our shareholders."

- End -

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

Natalie Tam / Charis Yau / Juliana Li / Michelle Tang / Adrian Leung
Tel: (852) 2136 6182 / 2136 6183 / 2169 0467 / 3920 7651 / 2169 0646
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, according to Frost and Sullivan. 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 premium death care products and services through a network of 11 cemeteries, 13 columbarium facilities, six on-site crematoria and two funeral homes in Malaysia, Indonesia, Singapore and Thailand.