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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

INTERIM RESULTS HIGHLIGHTS

- Revenue increased by 10.7% in terms of USD or 23.5% in terms of RM as compared to 1H 2014.
- EBITDA¹ increased by 107.1% in terms of USD or 130.3% in terms of RM as compared to 1H 2014. Adjusted EBITDA¹ increased by 9.7% in terms of USD or 22.5% in terms of RM as compared to 1H 2014.
- Profit for the period attributable to owners of the Company increased by 179.1% in terms of USD and 209.3% in terms of RM as compared to 1H 2014.
- Adjusted profit for the period attributable to owners of the Company² increased by 13.7% in terms of USD and 26.8% in terms of RM 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 terms of USD or 13.9% in terms of RM as compared to 1H 2014.
- An interim dividend of HKD0.03 per ordinary share is declared.

Set forth below is the comparison of performance for the six months period ended 30 June 2015 (“**1H 2015**”) and 2014 (“**1H 2014**”), respectively, in terms of United States dollars (“**USD**”) and Malaysian ringgit (“**RM**”):

	USD Million ³			RM Million ³		
	2015	2014	Change (%)	2015	2014	Change (%)
Revenue	78.1	70.6	10.7%	284.5	230.4	23.5%
EBITDA ¹	46.8	22.6	107.1%	170.4	74.0	130.3%
Adjusted EBITDA ^{1 and 2}	29.3	26.7	9.7%	106.7	87.1	22.5%
Profit for the period	37.8	14.9	153.7%	137.8	48.6	183.5%
Adjusted Profit for the period ²	20.3	18.9	7.4%	74.1	61.7	20.1%
Profit for the period attributable to owners of the Company	37.4	13.4	179.1%	136.1	44.0	209.3%
Adjusted profit for the period attributable to owners of the Company ²	19.9	17.5	13.7%	72.4	57.1	26.8%
Contract sales	104.9	102.7	2.1%	382.0	335.4	13.9%

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 in 2014, and (c) USD17.5 million of net foreign exchange gain in 2015 (2014: USD0.1 million of net foreign exchange loss).*

3 *The above amounts denominated in RM have been translated into USD at the exchange rates of 3.6429 and 3.2649 for 2015 and 2014, respectively.*

The board (the “**Board**”) of directors (the “**Directors**”) of Nirvana Asia Ltd (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014, as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Six months ended 30 June	
		2015	2014
		<i>USD'000</i>	<i>USD'000</i>
		(unaudited)	(audited)
Revenue	3	78,105	70,582
Cost of sales and services		<u>(21,583)</u>	<u>(20,402)</u>
Gross profit		56,522	50,180
Other income	4	5,391	4,194
Other gains and losses	5	16,211	862
Selling and distribution expenses		(18,434)	(17,340)
Administrative expenses		(13,993)	(15,684)
Finance costs		(1,208)	(1,437)
Other expenses	6	<u>—</u>	<u>(657)</u>
Profit before taxation	7	44,489	20,118
Income tax expense	8	<u>(6,651)</u>	<u>(5,263)</u>
Profit for the period		37,838	14,855
Other comprehensive (expense)/income			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		(24,034)	1,177
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(898)	(53)
Fair value gain on available-for-sale investments		2,119	634
Cumulative loss reclassified from equity to profit or loss on disposal of available-for-sale investments		<u>(1,068)</u>	<u>(554)</u>
Other comprehensive (expense)/income for the period		<u>(23,881)</u>	<u>1,204</u>
Total comprehensive income for the period		<u>13,957</u>	<u>16,059</u>

		Six months ended 30 June	
		2015	2014
	<i>Notes</i>	<i>USD'000</i>	<i>USD'000</i>
		(unaudited)	(audited)
Profit for the period attributable to:			
Owners of the Company		37,367	13,425
Non-controlling interests		471	1,430
		<u>37,838</u>	<u>14,855</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		13,817	14,416
Non-controlling interests		140	1,643
		<u>13,957</u>	<u>16,059</u>
Earnings per ordinary share attributable to owners of the Company			
	9		
Basic (US cent per ordinary share)		<u>1.38</u>	<u>0.70</u>
Diluted (US cent per ordinary share)		<u>1.38</u>	<u>0.66</u>
Dividends	10	<u>17,412</u>	<u>19,296</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June	31 December
		2015	2014
	<i>Notes</i>	<i>USD'000</i>	<i>USD'000</i>
		(unaudited)	(audited)
ASSETS			
Non-current assets			
Property, plant and equipment		12,409	12,918
Prepaid lease payments		243	267
Intangible assets		13,642	10,740
Land and development expenditure		33,050	14,218
Available-for-sale investments		15,636	14,313
Deferred acquisition cost		18,719	17,882
Trade and other receivables	11	41,381	39,447
Deferred tax assets		<u>11,058</u>	<u>10,492</u>
Total non-current assets		<u>146,138</u>	<u>120,277</u>
Current assets			
Inventories	12	112,468	113,575
Deferred acquisition cost		9,587	7,935
Prepaid lease payments		9	10
Trade and other receivables	11	39,414	48,007
Tax recoverable		574	864
Available-for-sale investments		13,251	15,429
Financial assets at fair value through profit or loss		107,601	29,730
Other financial assets		10,526	2,661
Bank balances and cash and cash equivalents		<u>158,406</u>	<u>271,620</u>
Total current assets		<u>451,836</u>	<u>489,831</u>
Total assets		<u>597,974</u>	<u>610,108</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		26,989	26,988
Reserves		<u>287,922</u>	<u>291,747</u>
Equity attributable to owners of the Company		314,911	318,735
Non-controlling interests		<u>4,594</u>	<u>4,530</u>
Total equity		<u>319,505</u>	<u>323,265</u>

		30 June	31 December
		2015	2014
	<i>Notes</i>	<i>USD'000</i>	<i>USD'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Deferred tax liabilities		6,322	6,589
Trade and other payables	<i>13</i>	3,658	2,757
Deferred pre-need funeral contract revenue		76,234	74,754
Deferred maintenance income		31,604	34,616
Obligations under finance leases		18	81
Total non-current liabilities		<u>117,836</u>	<u>118,797</u>
Current liabilities			
Trade and other payables	<i>13</i>	96,865	100,455
Deferred pre-need funeral contract revenue		6,181	6,061
Deferred maintenance income		239	267
Obligations under finance leases		37	88
Borrowings		51,264	56,780
Tax liabilities		6,047	4,395
Total current liabilities		<u>160,633</u>	<u>168,046</u>
Total liabilities		<u>278,469</u>	<u>286,843</u>
Total equity and liabilities		<u>597,974</u>	<u>610,108</u>
Net current assets		<u>291,203</u>	<u>321,785</u>
Total assets less current liabilities		<u>437,341</u>	<u>442,062</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 September 2010 and its ordinary shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 December 2014 (the “**Listing**”). The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and the address of the principal place of business in Hong Kong of the Company is 36th Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Group is mainly engaged in the sale of burial plots, niches and tomb and provision of funeral services.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited interim consolidated financial statements for the six months period ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board and the applicable disclosures as required by Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The principal accounting policies used in the preparation of the interim financial statements are consistent with those adopted in the annual consolidated financial statements for the year ended 31 December 2014.

For those IFRS amendments and interpretations which are effective for the Group’s annual accounting periods beginning on 1 January 2015, their adoption will not have material impact to the consolidated financial statements in the period of initial application and for those which are not yet effective, the Group is in the process of assessing their impact on the consolidated financial statements.

The financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. REVENUE AND SEGMENT INFORMATION

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Sales of goods:		
Burial plot	20,810	27,990
Niches*	29,968	24,059
Tomb	16,155	9,196
Provision of services:		
Funeral services	7,093	6,303
Other burial and niches related services	4,079	3,034
	<u>78,105</u>	<u>70,582</u>

* Includes revenue from (1) sales of niches in the Group's columbarium facilities (other than Penang Island columbarium in Malaysia), (2) fees for construction services and marketing agency services provided to the Penang Island columbarium in Malaysia.

Information reported to the Managing Director, being the Group's chief operating decision maker, for the purpose of resource allocation and assessment of segment performance is based on the following reportable and operating segments identified under IFRS 8:

1. Burial services — Malaysia
2. Burial services — Singapore
3. Burial services — Indonesia
4. Funeral services — Malaysia

Burial services represent sale of goods which include supply of burial plots, niches and tomb, and provision of cemetery related services which include columbarium construction services and marketing agency services.

The chief operating decision maker reviews aggregate segment performance based on different geographical locations except for funeral services which will be separately reviewed. The reportable segments identified share similar economic characteristics as the customers are located in the same geographical location.

Segment profit represents the gross profit earned by each segment.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the period ended 30 June 2015 (unaudited)

	<u>Burial services</u>			<u>Funeral services</u>	<u>Total USD'000</u>
	<u>Malaysia USD'000</u>	<u>Singapore USD'000</u>	<u>Indonesia USD'000</u>	<u>Malaysia USD'000</u>	
Segment revenue	<u>62,424</u>	<u>5,258</u>	<u>3,330</u>	<u>7,093</u>	<u>78,105</u>
Segment profit	<u>44,917</u>	<u>4,702</u>	<u>2,433</u>	<u>4,470</u>	56,522
Other income					5,391
Other gains and losses					16,211
Selling and distribution expenses					(18,434)
Administrative expenses					(13,993)
Finance costs					<u>(1,208)</u>
Profit before taxation					<u>44,489</u>

For the period ended 30 June 2014 (audited)

	<u>Burial services</u>			<u>Funeral services</u>	<u>Total USD'000</u>
	<u>Malaysia USD'000</u>	<u>Singapore USD'000</u>	<u>Indonesia USD'000</u>	<u>Malaysia USD'000</u>	
Segment revenue	<u>52,820</u>	<u>8,389</u>	<u>3,070</u>	<u>6,303</u>	<u>70,582</u>
Segment profit	<u>36,765</u>	<u>7,538</u>	<u>2,610</u>	<u>3,267</u>	50,180
Other income					4,194
Other gains and losses					862
Selling and distribution expenses					(17,340)
Administrative expenses					(15,684)
Finance costs					(1,437)
Other expenses					<u>(657)</u>
Profit before taxation					<u>20,118</u>

Geographical information

The Group's main operations are located in Malaysia (country of domicile), Singapore and Indonesia.

Information about the Group's revenue from external customers is presented based on the location of the operations.

Revenue from external customers:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Malaysia	69,517	59,123
Singapore	5,258	8,389
Indonesia	3,330	3,070
	<u>78,105</u>	<u>70,582</u>

4. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Interest income on short-term deposits	1,160	283
Imputed interest income on receivables under instalment arrangement	3,283	2,670
Total interest income	<u>4,443</u>	<u>2,953</u>
Dividends from listed equity securities	185	152
Dividends from unit trust funds	129	108
Total dividend income	<u>314</u>	<u>260</u>
Others	634	981
	<u>5,391</u>	<u>4,194</u>

5. OTHER GAINS AND LOSSES

Six months ended 30 June
2015 2014
USD'000 USD'000
(unaudited) (audited)

Gain from changes in fair value on financial assets at fair value through profit or loss	329	419
Gain from changes in fair value on derivative financial instrument — call option	—	25
Loss from changes in fair value on derivative financial instrument — earn-out arrangement	(2,719)	—
Gain on disposal of available-for-sale investments	1,068	554
Net foreign exchange gains/(losses)	17,490	(86)
Gain on disposal of property, plant and equipment	43	7
Others	—	(57)
	<u>16,211</u>	<u>862</u>

6. OTHER EXPENSES

Other expenses of USD657,000 for 1H 2014 represented the expenditure incurred, but not capitalised, for the Listing.

7. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	8,863	7,720
Share-based payments	—	3,260
Contributions to employees provident fund	910	825
	9,773	11,805
Total staffs cost	9,773	11,805
Auditors' remuneration	86	74
Amortisation of prepaid lease payments	5	5
Depreciation of property, plant and equipment	945	1,056
Amortisation of intangible assets	128	32
	1,078	1,093
Total depreciation and amortisation	1,078	1,093
Cost of inventories recognised as expenses	17,501	13,742
Listing expenses (included in other expenses)	—	657
Minimum lease payment under operating lease in respect of:		
Premises	335	231
Equipment	39	39
Net impairment losses recognised on:		
Trade receivables	244	497
Other receivables	—	4

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Current tax:		
Malaysian income tax	7,320	5,926
Other jurisdictions	<u>423</u>	<u>605</u>
	<u>7,743</u>	<u>6,531</u>
Deferred tax:		
Current	<u>(1,092)</u>	<u>(1,268)</u>
	<u><u>6,651</u></u>	<u><u>5,263</u></u>

No provision for Hong Kong profits tax has been made as there is no assessable profit subject to Hong Kong profits tax for both the current and prior periods.

Subsidiaries established in Malaysia, Singapore and Indonesia are subject to the respective countries' corporate income tax at the rates ranging from 17% to 25% (30 June 2014: 17% to 25%).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per ordinary share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Profit for the period attributable to owners of the Company	<u><u>37,367</u></u>	<u><u>13,425</u></u>

	Number of ordinary shares	
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,698,835	1,920,579
Effects of dilutive potential ordinary shares		
— Management warrants/share rights/sales agent share options	15,323	3,758
— Warrants	<u>—</u>	<u>101,252</u>
 Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	 <u>2,714,158</u>	 <u>2,025,589</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for 1H 2014 has been retrospectively adjusted for the deemed bonus element relating to class A and class B shares of the Company. On 8 September 2014, both class A shares and class B shares were converted into ordinary shares.

10. DIVIDENDS

Dividends recognised as distribution during the period:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
2014 interim dividends:		
RM26,000 per each of ordinary share, class A share* and class B share*	—	7,964
RM0.74 per each of ordinary share, class A share* and class B share*	—	11,332
2014 final dividend:		
HKD0.05 per each of ordinary share	<u>17,412</u>	<u>—</u>
	<u>17,412</u>	<u>19,296</u>

* On 8 September 2014, both the class A shares and class B shares were converted into ordinary shares.

The Board has approved and declared an interim dividend of HKD0.03 per ordinary share for the 1H 2015. The interim dividend will be paid on Wednesday, 23 September 2015. The financial statements for the 1H 2015 do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings during the year ending 31 December 2015.

11. TRADE AND OTHER RECEIVABLES

	30 June 2015 <i>USD'000</i> (unaudited)	31 December 2014 <i>USD'000</i> (audited)
Trade receivables	61,532	72,524
Less: Allowance for doubtful debts	<u>(1,051)</u>	<u>(884)</u>
	<u>60,481</u>	<u>71,640</u>
Other receivables	1,622	1,232
Less: Allowance for doubtful debts	<u>(104)</u>	<u>(112)</u>
	<u>1,518</u>	<u>1,120</u>
Deposits for acquisition of land for future cemetery development	9,735	8,261
Other deposits	2,899	2,919
Prepaid expenses	<u>6,162</u>	<u>3,514</u>
	<u>80,795</u>	<u>87,454</u>
Analysed as:		
Current assets	39,414	48,007
Non-current assets	<u>41,381</u>	<u>39,447</u>
	<u>80,795</u>	<u>87,454</u>

Trade receivables primarily comprise amounts receivable from the sale of pre-need cemetery merchandise, including burial plots, niches and tomb. It also includes receivables on rendering marketing agency services.

For sales of as-need cemetery merchandise, funeral services and other related services, customers are required to pay at the point of transactions.

For sales of pre-need funeral services, the Group generally allows the customers to settle the contract sum over a 2 to 48 months interest-free-period. The Group does not recognise revenue until the relevant services are performed, which typically take place after the entire sales price is received.

For sale of pre-need cemetery merchandise and marketing agency services, the Group generally allows the customers to settle the contract sum over a 2 to 48 months interest-free period. The instalment receivables are discounted at an effective interest rates ranging from 8.57% to 14.48% (31 December 2014: 8.5%) per annum as at 30 June 2015.

Billings are due immediately upon issuance except for instalment receivables which are due in accordance with agreed repayment plan.

The following is an aged analysis of trade receivables (before allowance) presented based on the invoice dates at the end of the reporting period:

	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
Instalment receivables not yet due	59,824	69,610
1 – 30 days	89	907
31 – 60 days	223	555
61 – 90 days	167	350
91 – 120 days	17	23
121 days and above	<u>1,212</u>	<u>1,079</u>
	<u><u>61,532</u></u>	<u><u>72,524</u></u>

12. INVENTORIES

	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
Land and development expenditure for cemetery properties		
— under development	38,094	33,102
— completed development	61,579	70,331
Tomb work in progress	10,475	8,226
Others	<u>2,320</u>	<u>1,916</u>
	<u><u>112,468</u></u>	<u><u>113,575</u></u>

During 1H 2015, interest charged by non-controlling interest amounting to USD107,065 (31 December 2014: USD98,131) has been capitalised as part of the cost of development expenditure for cemetery properties — under development.

13. TRADE AND OTHER PAYABLES

	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
Trade payables	15,962	19,774
Other payables	7,687	10,262
Amount due to a Director (<i>note 14(b)</i>)	96	206
Amount due to a non-controlling interests (<i>note 14(b)</i>)	1,722	1,367
Accrued expenses	10,529	13,779
Customers' deposits and advance billings	49,173	46,480
Commission and promotion expenses payable	15,354	11,344
	<u>100,523</u>	<u>103,212</u>
Analysed as:		
Current liabilities	96,865	100,455
Non-current liabilities	3,658	2,757
	<u>100,523</u>	<u>103,212</u>

The following is an aging analysis of trade payables presented based on the invoice dates at the period end:

	30 June 2015 USD'000 (unaudited)	31 December 2014 USD'000 (audited)
0 – 30 days	13,642	16,944
31 – 60 days	1,230	1,894
61 – 90 days	507	62
91 and above	583	874
	<u>15,962</u>	<u>19,774</u>

The average credit term period on purchase of goods is 30 to 90 days.

14. RELATED PARTY TRANSACTIONS

The following are the transactions entered into by the Group with related parties during 1H 2015 and 1H 2014 respectively:

(a) Related parties transactions:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Interest expense arising from advance from:		
Non-controlling interests:		
Vilailux Development Company Limited	18	—
Rental expense:		
Company under common control by a Director,		
Dato' Kong Hon Kong:		
KHK Capital Holdings Sdn Bhd	99	94
Agency expense:		
Close family members of a member of senior management		
of a principal operating subsidiary, Dato' Chan Loong Fui	<u>88</u>	<u>66</u>

All the above related party transactions do not constitute connected or continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

(b) Amounts due to related parties

	30 June	31 December
	2015	2014
	USD'000	USD'000
	(unaudited)	(audited)
Director		
— Dato' Kong Hon Kong	<u>96</u>	<u>206</u>
Non-controlling interests		
— Vilailux Development Company Limited	<u>1,722</u>	<u>1,367</u>

Amount due to Dato' Kong Hon Kong represented accrued and unpaid director's remuneration, which is unsecured and interest free.

Amounts due to non-controlling interests represents advances received and is unsecured, no fixed terms of repayment and subject to interest at a fixed rate at 7.25% per annum. The advances by Vilailux Development Company Limited constitute a connected transaction as defined in Chapter 14A of the Listing Rules. However, this transaction is fully exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

15. REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The interim consolidated financial statements for 1H 2015 have not been audited and reviewed by the auditors of the Company, Deloitte.

The audit committee of the Company, comprising three independent non-executive Directors, namely, Mr. Ng Soon Lai @ Ng Siek Chuan, Mr. Foong Soo Hah and Ms. Anita Chew Cheng Im have together with the management reviewed the interim consolidated financial statements of, and accounting policies and practices adopted by, the Group for 1H 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

For 1H 2015, the Group recorded a steady growth in both revenue and contract sales. Revenue for 1H 2015 recorded an increase of 10.7% in terms of USD or 23.5% in terms of RM as compared to 1H 2014. Contract sales recorded an increase of 2.1% in terms of USD or 13.9% in terms of RM for the same period under review. The depreciation of RM against USD has resulted in smaller growth in USD terms.

The Group's profit attributable to owners of the Company for 1H 2015 amounted to USD37.4 million, an increase of 179.1% compared to that of 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 terms of USD, or RM72.4 million or 26.8% in terms of RM, compared to that of 1H 2014. 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.

As-need and pre-need contract sales

For 1H 2015, our pre-need contract sales amounted to USD90.1 million or RM328.3 million, representing an increase of 3.6% in terms of USD or 15.6% in terms of RM, as compared to 1H 2014. Pre-need sales continued to grow and contributed to 85.9% of the total contract sales. The following tables set forth a breakdown of our contract sales by as-need and pre-need sales for the six months period under review, in terms of USD and RM:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD'000	% of total	USD'000	% of total	USD'000	%
As-need	14,736	14.1	15,727	15.3	(991)	(6.3)
Pre-need	<u>90,116</u>	<u>85.9</u>	<u>87,011</u>	<u>84.7</u>	<u>3,105</u>	<u>3.6</u>
Total contract sales	<u>104,852</u>	<u>100.0</u>	<u>102,738</u>	<u>100.0</u>	<u>2,114</u>	<u>2.1</u>

In RM	Six months ended 30 June					
	2015		2014		Change	
	RM'000	% of total	RM'000	% of total	RM'000	%
As-need	53,682	14.1	51,348	15.3	2,334	4.5
Pre-need	<u>328,282</u>	<u>85.9</u>	<u>284,076</u>	<u>84.7</u>	<u>44,206</u>	<u>15.6</u>
Total contract sales	<u>381,964</u>	<u>100.0</u>	<u>335,424</u>	<u>100.0</u>	<u>46,540</u>	<u>13.9</u>

As-need and pre-need revenue

For 1H 2015, our pre-need revenue amounted to USD63.0 million, representing an increase of USD6.8 million or 12.1% as compared to USD56.2 million for 1H 2014, or an increase of RM46.0 million or 25.0% in terms of RM. The following tables set forth a breakdown of our revenue by as-need and pre-need revenue for the six months period under review:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD'000	% of total	USD'000	% of total	USD'000	%
As-need	15,130	19.4	14,389	20.4	741	5.1
Pre-need	<u>62,975</u>	<u>80.6</u>	<u>56,193</u>	<u>79.6</u>	<u>6,782</u>	12.1
Total revenue	<u>78,105</u>	<u>100.0</u>	<u>70,582</u>	<u>100.0</u>	<u>7,523</u>	10.7

In RM	Six months ended 30 June					
	2015		2014		Change	
	RM'000	% of total	RM'000	% of total	RM'000	%
As-need	55,116	19.4	46,978	20.4	8,138	17.3
Pre-need	<u>229,413</u>	<u>80.6</u>	<u>183,463</u>	<u>79.6</u>	<u>45,950</u>	25.0
Total revenue	<u>284,529</u>	<u>100.0</u>	<u>230,441</u>	<u>100.0</u>	<u>54,088</u>	23.5

Financial Review

a. Contract Sales and Revenue

We generate our revenue primarily from two business segments: burial services and funeral services. Burial services and products include primarily burial plots, niches and tomb design and construction services. Funeral services include primarily funeral services packages and optional funeral services.

(i) Contract Sales

Due to the nature of our pre-need services and products, under our accounting policies, there is a time lag between the sale of pre-need burial plots, niches and funeral services and the recognition of the corresponding revenue. Due to this time lag, our contract sales will not be fully recognized as revenue in the same reporting period.

Contract sales by business segment

The Group's contract sales increased by USD2.1 million, or 2.1% in terms of USD or RM46.5 million, or 13.9% in terms of RM for 1H 2015, as compared to 1H 2014. This was primarily due to higher sales from Kuala Lumpur in Malaysia, Singapore and Indonesia. In addition, our new cemetery in Thailand contributed approximately 1.3% contract sales to the Group. Sales for tomb design and

construction and others were higher in 2014 due to the Group's marketing effort in promoting pre-need tomb design and construction. The following tables set out a breakdown of the Group's contract sales by business segment for 1H 2015 and 1H 2014, in terms of USD and RM:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD'000	% of total	USD'000	% of total	USD'000	%
Burial plots	32,383	30.9	27,142	26.4	5,241	19.3
Niches*	41,843	39.9	31,823	31.0	10,020	31.5
Tomb design and construction	11,762	11.2	20,257	19.7	(8,495)	(41.9)
Others	3,226	3.1	8,947	8.7	(5,721)	(63.9)
Burial services and others	89,214	85.1	88,169	85.8	1,045	1.2
Funeral services	15,638	14.9	14,569	14.2	1,069	7.3
Total	<u>104,852</u>	<u>100.0</u>	<u>102,738</u>	<u>100.0</u>	<u>2,114</u>	2.1

In RM	Six months ended 30 June					
	2015		2014		Change	
	RM'000	% of total	RM'000	% of total	RM'000	%
Burial plots	117,967	30.9	88,615	26.4	29,352	33.1
Niches*	152,430	39.9	103,898	31.0	48,532	46.7
Tomb design and construction	42,848	11.2	66,136	19.7	(23,288)	(35.2)
Others	11,751	3.1	29,210	8.7	(17,459)	(59.8)
Burial services and others	324,996	85.1	287,859	85.8	37,137	12.9
Funeral services	56,968	14.9	47,565	14.2	9,403	19.8
Total	<u>381,964</u>	<u>100.0</u>	<u>335,424</u>	<u>100.0</u>	<u>46,540</u>	13.9

* Includes revenue from (1) sales of niches in the Group's columbarium facilities (other than Penang Island columbarium in Malaysia), (2) fees for construction services and marketing agency services provided to the Penang Island columbarium in Malaysia.

Contract sales by country

Contributions from Singapore, Indonesia and Thailand to the Group's overall contract sales increased by 2.4 percentage points, from 15.7% in 1H 2014 to 18.1% in 1H 2015. Contract sales for Singapore and Indonesia for 1H 2015 increased by 9.8% and 7.3%, respectively, in terms of USD, as compared to 1H 2014. Our Thailand cemetery commenced sales in May 2015 and registered sales of USD1.4 million, representing 1.3% of the Group's contract sales. The following tables set out a breakdown of the Group's contract sales by country for 1H 2015 and 1H 2014, in terms of USD and RM:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD'000	% of total	USD'000	% of total	USD'000	%
Malaysia	85,833	81.9	86,603	84.3	(770)	(0.9)
Singapore	13,390	12.8	12,191	11.9	1,199	9.8
Indonesia	4,232	4.0	3,944	3.8	288	7.3
Thailand	1,397	1.3	—	—	1,397	100.0
Total	<u>104,852</u>	<u>100.0</u>	<u>102,738</u>	<u>100.0</u>	<u>2,114</u>	2.1

In RM	Six months ended 30 June					
	2015		2014		Change	
	RM'000	% of total	RM'000	% of total	RM'000	%
Malaysia	312,680	81.9	282,746	84.3	29,934	10.6
Singapore	48,777	12.8	39,802	11.9	8,975	22.5
Indonesia	15,416	4.0	12,876	3.8	2,540	19.7
Thailand	5,091	1.3	—	—	5,091	100.0
Total	<u>381,964</u>	<u>100.0</u>	<u>335,424</u>	<u>100.0</u>	<u>46,540</u>	13.9

ASP by business segment

The following tables set out the sales volume and the average sales price (“ASP”) of the Group’s products for 1H 2015 and 1H 2014, in terms of USD and RM:

In USD	Six months ended 30 June					
	Sales Volume			ASP		
	2015	2014	Change %	2015 USD	2014 USD	Change %
Burial plots (square meters)	44,559	39,593	12.5	727	686	6.0
Tomb design and construction (square meters)	21,332	30,983	(31.1)	551	654	(15.7)
Burial plots (units)	1,690	1,301	29.9	19,162	20,862	(8.1)
Niches (units)*	6,724	4,667	44.1	6,223	6,819	(8.7)
Tomb design and construction (units)	<u>1,060</u>	<u>988</u>	7.3	11,096	20,503	(45.9)
Total burial services (units)	9,474	6,956	36.2	9,076	11,389	(20.3)
Funeral services (cases)	<u>2,824</u>	<u>2,321</u>	21.7	5,538	6,277	(11.8)
Total burial and funeral services (units)	<u>12,298</u>	<u>9,277</u>	32.6	8,264	10,110	(18.3)

In RM	Six months ended 30 June					
	Sales Volume			ASP		
	2015	2014	Change %	2015 RM	2014 RM	Change %
Burial plots (square meters)	44,559	39,593	12.5	2,647	2,238	18.3
Tomb design and construction (square meters)	21,332	30,983	(31.1)	2,009	2,135	(5.9)
Burial plots (units)	1,690	1,301	29.9	69,803	68,113	2.5
Niches (units)*	6,724	4,667	44.1	22,670	22,262	1.8
Tomb design and construction (units)	<u>1,060</u>	<u>988</u>	7.3	40,423	66,939	(39.6)
Total burial services (units)	9,474	6,956	36.2	33,064	37,184	(11.1)
Funeral services (cases)	<u>2,824</u>	<u>2,321</u>	21.7	20,173	20,493	(1.6)
Total burial and funeral services (units)	<u>12,298</u>	<u>9,277</u>	32.6	30,104	33,008	(8.8)

* Includes revenue from (1) sales of niches in the Group’s columbarium facilities (other than Penang Island columbarium in Malaysia), (2) fees for construction services and marketing agency services provided to the Penang Island columbarium in Malaysia.

The Group sold 44,559 square meters, or 1,690 units of burial plots in 1H 2015, an increase of 12.5% in terms of square meters (“sq.m.”) and 29.9% in terms of units, as compared to 1H 2014. The ASP per sq.m. for burial plots in 1H 2015 increased by 6.0% in terms of USD and 18.3% in terms of RM. The increase in ASP was primarily contributed by Semenyih, Malaysia. The lower ASP per unit in terms of USD was primarily due to the appreciation of USD against RM and lower selling price for the newly launched cemetery in Thailand.

The Group sold 6,724 units of niches in 1H 2015, an increase of 44.1%, as compared to 1H 2014. The ASP for niches in 1H 2015 increased by 1.8% in terms of RM. In terms of USD, the ASP for niches reduced by 8.7% due to the depreciation of RM against USD, as compared to 1H 2014.

The Group sold 21,332 square meters, or 1,060 units of tombs in 1H 2015, a decrease of 31.1% in terms of sq.m. or an increase of 7.3% in terms of unit, as compared to 1H 2014. The ASP per sq.m. for tomb design and construction in 1H 2015 decreased by 15.7% in term of USD and 5.9% in terms of RM. The lower ASP per unit in 1H 2015 as compared to 1H 2014 was primarily due to sales of several large personalized garden tombs of high sales prices from Semenyih, Bukit Mertajam and Kulai, Malaysia, in 2014. The higher ASP per sq.m. in 1H 2014 as compared to 1H 2015 was primarily due to the Group’s marketing effort in promoting pre-need tomb design and construction in 2014.

The Group sold 2,824 cases of funeral services in 1H 2015, an increase of 21.7%, as compared to 1H 2014. The lower ASP for funeral services in 1H 2015 compared to 1H 2014 was primarily due to the higher sales of pre-need funeral service packages which have lower sales prices, as compared to as-need funeral service packages.

(ii) *Revenue*

Revenue by business segment

The following tables set forth our revenue by business segment for the period under review:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD’000	% of total	USD’000	% of total	USD’000	%
Burial plots	20,810	26.6	27,990	39.7	(7,180)	(25.7)
Niches*	29,968	38.4	24,059	34.1	5,909	24.6
Tomb design and construction	16,155	20.7	9,196	13.0	6,959	75.7
Others	4,079	5.2	3,034	4.3	1,045	34.4
Burial services and others	71,012	90.9	64,279	91.1	6,733	10.5
Funeral services	7,093	9.1	6,303	8.9	790	12.5
Total	78,105	100.0	70,582	100.0	7,523	10.7

In RM	Six months ended 30 June					
	2015		2014		Change	
	RM'000	% of total	RM'000	% of total	RM'000	%
Burial plots	75,807	26.6	91,383	39.7	(15,576)	(17.0)
Niches*	109,172	38.4	78,549	34.1	30,623	39.0
Tomb design and construction	58,853	20.7	30,023	13.0	28,830	96.0
Others	14,857	5.2	9,907	4.3	4,950	50.0
Burial services and others	258,689	90.9	209,862	91.1	48,827	23.3
Funeral services	25,840	9.1	20,579	8.9	5,261	25.6
Total	<u>284,529</u>	<u>100.0</u>	<u>230,441</u>	<u>100.0</u>	<u>54,088</u>	23.5

Our revenue increased by 10.7% in terms of USD or 23.5% in terms of RM for 1H 2015 as compared to 1H 2014. This increase was primarily driven by sales of burial services from Penang Island, Bukit Mertajam, Semenyih and Kulai, in Malaysia.

Revenue by country

The following table sets forth a breakdown of our revenue by country for the period under review:

In USD	Six months ended 30 June					
	2015		2014		Change	
	USD'000	% of total	USD'000	% of total	USD'000	%
Malaysia	69,517	89.0	59,123	83.8	10,394	17.6
Singapore	5,258	6.7	8,389	11.9	(3,131)	(37.3)
Indonesia	3,330	4.3	3,070	4.3	260	8.5
Total	<u>78,105</u>	<u>100.0</u>	<u>70,582</u>	<u>100.0</u>	<u>7,523</u>	10.7

The revenue from Malaysia increased by 17.6% to USD69.5 million for 1H 2015 compared to the same period of last year. This increase was primarily driven by revenue contributed from Bukit Mertajam and Penang Island in Malaysia.

Despite a higher contract sales in 1H 2015 as compared to 1H 2014, the revenue from Singapore reduced by USD3.1 million or 37.3% from USD8.4 million in 1H 2014 to USD5.3 million in 1H 2015 mainly due to the time lag of revenue recognition.

b. Cost of Sales and Services

Our cost of sales and services as a percentage of revenue decreased from 28.9% for 1H 2014 to 27.6% for 1H 2015. The decrease was primarily due to (i) lower tomb design and construction cost with the acquisition of tomb construction business in March 2015, and (ii) better cost control for funeral services. The following table sets forth our cost of sales and services by business segment for the period under review:

	Six months ended 30 June			
	2015		2014	
	<i>USD'000</i>	<i>% to revenue</i>	<i>USD'000</i>	<i>% to revenue</i>
Land cost	1,023	4.9	1,849	6.6
Development expenditure	<u>4,182</u>	<u>20.1</u>	<u>5,205</u>	<u>18.6</u>
Total cost for burial plots	5,205	25.0	7,054	25.2
Niches	5,823	19.4	4,691	19.5
Tomb design and construction	6,568	40.7	4,788	52.1
Others	<u>1,364</u>	<u>33.4</u>	<u>833</u>	<u>27.5</u>
Burial services and others	18,960	26.7	17,366	27.0
Funeral services	<u>2,623</u>	<u>37.0</u>	<u>3,036</u>	<u>48.2</u>
Total	<u><u>21,583</u></u>	<u><u>27.6</u></u>	<u><u>20,402</u></u>	<u><u>28.9</u></u>

Burial Services

Our cost of sales and services as a percentage of revenue for burial services reduced from 27.0% to 26.7% due to lower tomb design and construction cost following the acquisition of tomb business in March 2015.

Funeral Services

Our cost of sales and services for funeral services decreased by USD0.4 million, or 13.6%, as compared to 1H 2014, primarily due to better cost control.

c. Gross Profit and Gross Margin

The following table sets forth our gross profit and gross margin by business segment for the period under review:

	Six months ended 30 June			
	2015		2014	
	<i>Gross profit</i> <i>USD'000</i>	<i>Gross margin</i> <i>(%)</i>	<i>Gross profit</i> <i>USD'000</i>	<i>Gross margin</i> <i>(%)</i>
Burial services and others	52,052	73.3	46,913	73.0
Funeral services	4,470	63.0	3,267	51.8
Total	<u>56,522</u>	<u>72.4</u>	<u>50,180</u>	<u>71.1</u>

Our gross profit increased by USD6.3 million, or 12.6%, from USD50.2 million for 1H 2014 to USD56.5 million for 1H 2015, primarily due to higher revenue, lower tomb design and construction cost, and better cost control for funeral services.

Our gross margin increased by 1.3 percentage points from 71.1% for 1H 2014 to 72.4% for 1H 2015, primarily driven by lower tomb design and construction cost, higher margin for niches and better cost control for funeral services.

d. Other Income

The following table sets forth a breakdown of our other income for the period under review:

	Six months ended 30 June	
	2015	2014
	<i>USD'000</i>	<i>USD'000</i>
Interest income	4,443	2,953
Dividend income	314	260
Others	634	981
Total	<u>5,391</u>	<u>4,194</u>

Imputed interest income on trade receivables under installment arrangements is the interest income deemed accrued with respect to our pre-need customers' installment payments for burial products and services. The corresponding amounts are deducted from the relevant revenue, as we do not actually receive interest from customers.

Dividend income represents dividend income received by our maintenance funds and sinking fund on their investments.

Our other income increased by USD1.2 million, or 28.5%, from USD4.2 million for 1H 2014 to USD5.4 million for 1H 2015, primarily due to the increase in interest income on short-term deposits and imputed interest income on trade receivables under installment arrangements driven by the growth in sales of our pre-need products and services that were subject to installment payment plans.

e. Other gains and losses

The following table sets forth a breakdown of our other gains and losses for the period under review:

	Six months ended 30 June	
	2015	2014
	<i>USD'000</i>	<i>USD'000</i>
Gain from changes in fair value on financial assets at fair value through profit or loss	329	419
Gain from changes in fair value on derivative financial instrument — call option	—	25
Loss from changes in fair value on derivative financial instrument — earn-out arrangement	(2,719)	—
Gain on disposal of available-for-sale investment	1,068	554
Net foreign exchange gains (losses)	17,490	(86)
Gain (loss) on disposal of property, plant and equipment	43	7
Others	<u>—</u>	<u>(57)</u>
Total	<u>16,211</u>	<u>862</u>

Our other gains and losses increased by USD15.3 million, or 1,780.6%, from USD0.9 million for 1H 2014 to USD16.2 million for 1H 2015, mainly due to the net foreign exchange gains arising from cash and cash equivalents denominated in USD and HKD but partially offset by the loss from changes in fair value on derivative financial instrument in respect of changes in the estimated revenue to be derived from the construction services of the Penang Island columbarium facilities in Malaysia due to the change in the design of columbarium. The change has also resulted in a lower cost of construction.

f. Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses for the period under review:

	Six months ended 30 June			
	2015		2014	
	<i>USD'000</i>	<i>% of revenue</i>	<i>USD'000</i>	<i>% of revenue</i>
Commissions	10,436	13.3	9,440	13.4
Incentives	2,400	3.1	2,440	3.5
Promotion	3,022	3.9	3,078	4.4
Advertising and newsletter	846	1.1	844	1.2
Event and function	544	0.7	563	0.8
Others	1,186	1.5	975	1.3
Total	<u>18,434</u>	<u>23.6</u>	<u>17,340</u>	<u>24.6</u>

Our selling and distribution expenses increased by USD1.1 million, or 6.3%, from USD17.3 million for 1H 2014 to USD18.4 million for 1H 2015. The lower promotion expenses in 1H 2015 as compared to 1H 2014 was due to promotion initiatives in connection with our newly-acquired cemetery in Bukit Mertajam, Malaysia, in 2014.

g. Administrative Expenses

The following table sets forth a breakdown of our administrative expenses for the period under review:

	Six months ended 30 June			
	2015		2014	
	<i>USD'000</i>	<i>% of revenue</i>	<i>USD'000</i>	<i>% of revenue</i>
Staff cost	8,339	10.7	10,310	14.6
Administrative and general expenses	2,756	3.5	2,773	3.9
Depreciation and amortization	950	1.2	1,060	1.5
Others	1,948	2.5	1,541	2.2
Total	<u>13,993</u>	<u>17.9</u>	<u>15,684</u>	<u>22.2</u>

Our administrative expenses reduced by USD1.7 million, or 10.8%, from USD15.7 million for 1H 2014 to USD14.0 million for 1H 2015, primarily due to share-based payment expenses of USD3.3 million in relation to pre-Listing employees share rights scheme, which were fully vested in 1H 2014.

h. Finance Costs

The following table sets forth a breakdown of our finance cost for the period under review:

	Six months ended 30 June	
	2015	2014
	USD'000	USD'000
Bank loans, overdrafts and other borrowings	551	952
Obligation under finance leases	6	8
Imputed interest expenses on commission and certain promotion expenses payable	651	477
Total	<u>1,208</u>	<u>1,437</u>

Our finance costs decreased by 15.9% from USD1.4 million for 1H 2014 to USD1.2 million for 1H 2015, primarily due to the refinancing of term loan with revolving credit facility which attracts a lower interest charge.

Imputed interest expenses on commissions and certain promotion expenses payable represent the interest expenses deemed incurred with respect to the deferred commissions and certain promotion expenses. We pay our sales agents commission based on actual collection. Therefore, with respect to products and services sold to our pre-need customers who pay us in installments, we in turn pay our sales agents only when the relevant installment payments are received from our pre-need customers. The corresponding amounts are deducted from the relevant commissions and promotion expenses, as we do not actually pay interest to our sales agents.

i. Other Expenses

Other expenses of USD0.7 million for 1H 2014 represented the listing expenditures incurred, but not capitalized, for the Listing.

j. Income Tax Expenses

Our effective corporate income tax rate decreased from 26.2% for 1H 2014 to 14.9% for 1H 2015 primarily due to non-taxable income relating to foreign exchange gain.

k. Profit for the period

As a result of the foregoing, our adjusted profit for the period increased by 7.4% or USD1.4 million from USD18.9 million for 1H 2014 to USD20.3 million for 1H 2015.

1. *Cash Flow*

The following table sets forth a summary of our consolidated statements of cash flows for the period under review:

	Six months ended 30 June	
	2015	2014
	<i>USD'000</i>	<i>USD'000</i>
Net cash generated from (used in)		
— operating activities	124,294	22,788
— investing activities	(57,198)	2,312
— financing activities	(22,856)	<u>(22,436)</u>
Total	<u>44,240</u>	<u>2,664</u>

Net Cash Generated from Operating Activities

For 1H 2015, we had net cash generated from operating activities of USD124.3 million, which was primarily attributable to profit before tax of USD44.5 million, adjusted to reflect (1) certain non-cash items, which mainly included adding back depreciation of our property, plant and equipment and amortisation of intangible assets of USD1.1 million and deducting non-cash imputed interest income on receivables under installment arrangements of USD3.3 million, (2) decrease of USD2.8 million in trade and other receivables, decrease of USD5.7 million in trade and other payables, and decrease of USD7.8 million in deferred pre-need funeral contract revenue, and (3) withdrawal of USD127.6 million deposits from banks. The net cash generated from operating activities was partially offset by land acquisition and development expenditure of USD30.1 million, payment of corporate income tax of USD5.8 million, decrease in deferred acquisition cost of USD4.5 million, and other financial assets/liabilities of USD11.1 million.

Net Cash used in Investing Activities

For 1H 2015, we had net cash used in investing activities of USD57.2 million, which was primarily attributable to (1) net withdrawal of deposits of USD22.1 million, net proceeds from the sale of available-for-sale investments in the amount of USD3.0 million, and interest income received from short-term deposits of USD1.2 million, which related primarily to the investment activities of our maintenance funds and sinking fund, and (2) purchases of property, plant and equipment in the amount of USD0.9 million relating primarily to purchase of new motor vehicles, acquisition of tomb business in March 2015 amounted to USD2.0 million, and net purchase of financial assets designated as at fair value through profit or loss (“FVTPL”) of USD80.9 million.

Net Cash Generated from Financing Activities

For 1H 2015, we had net cash used in financing activities of USD22.9 million, which was primarily attributable to the dividend payment of USD17.4 million to our shareholders and repayment of borrowings of USD4.5 million.

Financial Positions

a. *Liquidity and Financial Resources*

As at 30 June 2015, the Group's total fixed deposits, bank balances and cash were USD266.0 million (31 December 2014: USD301.4 million). The following table sets forth our total fixed deposits, bank balances and cash by accounts classification:

	As at 30 June 2015 USD'000	As at 31 December 2014 USD'000
Fixed deposits, bank balances and cash	158,406	271,620
Financial instruments classified under financial assets through profit or loss	<u>107,601</u>	<u>29,730</u>
	<u>266,007</u>	<u>301,350</u>
Available-for-sale investments	<u>28,887</u>	<u>29,742</u>

The majority of the Group's fixed deposits were deposited with banks with maturity period up to 6 months with interests at market rates which ranged from 0.02% to 8.75% per annum (31 December 2014: 0.05% to 10.0% per annum).

As at 30 June 2015, the Group had interest-bearing bank borrowings of USD51.3 million (31 December 2014: USD56.8 million) that was due within one year. They were subject to effective interest rates which ranged from 0.94% to 2.46% per annum (31 December 2014: 1.6% to 2.0% per annum).

Included in the fixed deposits, bank balances and cash above there is a restricted cash amount of USD8.4 million (31 December 2014: USD8.9 million).

Both the restricted cash and the available-for-sale investment of USD28.9 million (31 December 2014: USD29.7 million) represent amounts segregated and held under trust accounts pursuant to the trust deeds to service the costs of fulfilling the Group's obligations under the pre-need funeral service contracts and maintenance service contracts and are not utilised for the Group's other cash and treasury management activities.

b. *Gearing Ratio*

Gearing ratio is calculated by dividing net debts (total bank borrowings net of bank balances, cash and cash equivalents) by total equity at the end of the financial period and multiplied by 100%.

As at 30 June 2015, the Group had a net cash of USD107.1 million (excluding fixed deposits classified under FVTPL of USD107.6 million) (31 December 2014: net cash of USD214.8 million (excluding fixed deposits classified under FVTPL of USD29.7 million respectively)) primarily due to the proceeds generated from the Listing.

As of 30 June 2015 and 31 December 2014, the Group had no gearing.

c. *Trade Receivables Turnover Days*

Trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables for the period by revenue in that period and then multiplying by the number of days within the period.

As of 30 June 2015, the Group had trade receivables turnover days of 157 days (31 December 2014: 133 days). The increase was primarily due to an increasing number of clients electing for longer installment payment periods. To manage the increasing trade receivables, the Company has increased the upfront deposit of certain products and has further incentivized sales agents to promote shorter installment periods to customers.

d. *Inventories Turnover Days*

Inventories turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of the sum of land and development expenditure for completed development and others under inventories, by cost of sales and services, in that period and then multiplying by the number of days within the period.

As of 30 June 2015, the Group had inventories turnover days of 576 days (31 December 2014: 532 days). Inventories turnover days are stable as we develop our burial plots and columbarium in stages based on sales.

e. *Trade Payables Turnover Days*

Trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables for the period by cost of sales and services in that period and then multiplying by the number of days within the period.

As of 30 June 2015, the Group had trade payables turnover days of 151 days (31 December 2014: 116 days). The increase was primarily due to an increase in amounts due to certain land owners of cemeteries in Malaysia, to whom payments were made after the Company collected payments from customers, which was in line with the increase in trade receivables turnover days.

f. *Currency Risk*

The primary economic environments in which the Group operates are Malaysia, Singapore and Indonesia and our functional currencies are RM, Singapore dollars (“**SGD**”) and Indonesian rupiah (“**IDR**”). The Group’s reporting currency is USD. For the purpose of presenting the financial information in this announcement, the assets and liabilities of the Group’s foreign operations were translated into the reporting currency of the Group (i.e. USD) using the prevailing exchange rates at the end of each reporting period.

Income and expenses were translated at the average exchange rates for the reporting period. Exchange differences which might have arisen therefrom were recognized as other comprehensive income and accumulated in equity under the heading of translation reserve.

Since the last quarter of 2014, RM, SGD and IDR depreciated against USD and HKD. The RM depreciated against the USD by 7.9% from 31 December 2014 to 30 June 2015. Due to the fluctuations in the exchange rate of RM against USD, any trends associated with the financial performance of the Group's operations may not be accurately reflected in the Group's unaudited consolidated financial statements. Any fluctuations in the RM to USD exchange rate in future reporting periods may also affect the comparability of the Group's results of operations with prior periods.

The Group's cash and cash equivalents, which are not denominated in USD, are exposed to fluctuations in the value of the USD against the currencies in which these cash and cash equivalents are denominated. Any significant appreciation or depreciation of the USD against these foreign currencies may result in significant exchanges losses or gain.

Most of the Group's operations do not involve cross-border activities or import or export activities except for the import of certain construction materials. As such, the Group has not established any formal foreign currency hedging policy. We will continue to monitor our exposure to foreign exchange fluctuations carefully and introduce appropriate hedging measures should the need arise. Any fluctuation in the RM to USD exchange rate in the future may also affect the financial performance of the Group's results in future reporting periods.

g. *Material Acquisitions or Disposals of Subsidiaries*

The Group did not have any material acquisition or disposal of subsidiaries during 1H 2015 except for the acquisition of a tomb design and construction business in March 2015 from its tomb contractor, at an aggregate consideration of RM15 million (equivalent to approximately USD4.2 million).

h. *Employee and Remuneration Policy*

As of 30 June 2015, the Group had approximately 700 full-time employees stationed in Malaysia, Indonesia, Singapore and Thailand and incurred total employees' remuneration of USD9.8 million. Our employees' remuneration comprises salaries, bonuses, employees' provident fund and social security contributions. We also provide our employees with medical and hospitalization benefits, share ownership plans, staff loan assistance and group personal accident and term life insurance based on the employees' respective functions and rankings.

The Group regularly reviews the remuneration and benefits of its employees according to the prevailing market practices and the individual performance of the employees. Furthermore, we provide staff training and development programs to ensure that our employees are equipped with the necessary skills to further our competitive edge in the market and provide better services to our customers.

i. *Capital Commitment*

We had contracted for capital expenditures in respect of acquisition of property, plant and equipment in an amount of USD28,000 as at 30 June 2015. Such capital expenditures were not provided for in the financial statements for 1H 2015.

j. *Assets Pledged*

As at 30 June 2015, there was no charge on any assets of the Group except for assets in the amount of USD98,000 held under finance leases and fixed deposit in the amount of USD63.5 million which has been pledged to secure bank guarantee facility.

k. *Contingent Liabilities*

The Group was not aware of any material contingent liabilities as at 30 June 2015.

Outlook

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.

Prospects

Currently, our revenue is mainly generated from our operation in Malaysia, Singapore and Indonesia. For the year ended 31 December 2014, our operation in Malaysia alone contributed approximately 84% of the Group's total revenue. 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. Thus far for the 1H 2015, our cemetery in Thailand has commenced selling of burial plots in May 2015 and our sales office in Hong Kong is expected to commence its sales of burial plots and niches in Huizhou Longyan Art Cemetery in Huizhou city, Guangdong, The People's Republic of China ("**China**") in the third quarter of 2015. Also, in July 2015, the Group has also entered into an agreement with a local landowner to establish a greenfield cemetery of approximately 400,000 sq.m. in Dong Nai Province, Vietnam. In addition, the Group is aggressively exploring and pursuing new opportunities in China to further bolster its revenue stream.

Recent development

Country

Development

China
In February 2015, the Group had been granted an exclusive right to manage, operate and sell all unsold niches of Longyan Main Tower in Huizhou city, China, of no less than 30,000 double niches equivalent, and a non-exclusive right to sell all other products of Huizhou Longyan Art Cemetery Development Co., Ltd. to customers. We target to commence sale in the third quarter of 2015.

Country	Development
Malaysia	<p>In March 2015, the Group had acquired the downstream business of tomb design and construction from its tomb contractor. This acquisition would allow the Group to strengthen its capabilities particularly in the death care service sector while pursuing diversified development along the bereavement care industry value chain.</p> <p>In February 2015, we had commenced the construction of a funeral parlour cum columbarium complex, Nirvana Centre Kuala Lumpur, in the city of Kuala Lumpur, Malaysia. In April 2015, we had also commenced selling niches within the columbarium on a pre-need basis. The construction of a 12-storey building, which is expected to house approximately 100,000 double niches equivalents, is expected to be completed by the end of 2017 as phase 1 of the entire construction project.</p> <p>In June 2015, the Group 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.</p> <p>During 1H 2015, the Group acquired approximately 550,000 sq.m. of cemetery land at several locations in Malaysia.</p>
Singapore	<p>In May 2015, we have received formal approval from the relevant authority to erect and add more floors to the existing buildings. This will greatly increase the built-up capacity of our existing columbarium by almost four times from 11,000 sq.m. to 43,000 sq.m..</p>
Indonesia	<p>As at 30 June 2015, we have acquired 270,000 sq.m. of land in Tangerang, near Jakarta. We are in the process of acquiring another 230,000 sq.m. of land, which is expected to be developed into a greenfield cemetery.</p>
Thailand	<p>In May 2015, we have commenced the sales of burial plots at our cemetery near Bangkok in Thailand on a pre-need basis. The land area is approximately 367,308 sq.m..</p>
Vietnam	<p>In July 2015, we have entered into an agreement with a local landowner to establish a greenfield cemetery of approximately 400,000 sq.m.. The sales of burial services is targeted to commence in the second quarter of 2016.</p>

Our cemeteries and columbarium

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

For the period under review, we have acquired approximately 550,000 sq.m. of land for cemetery development and we have received formal approval from the relevant authority to expand our Singapore columbarium floor built-up capacity from 11,000 sq.m. to 43,000 sq.m..

INTERIM DIVIDEND AND CLOSURE OF REGISTERS OF MEMBERS

The Board had on 26 August 2015 approved and declared an interim dividend of HKD0.03 per ordinary share for the six months ended 30 June 2015 to shareholders whose names appear on the principal register of member in the Cayman Islands and branch register of members of the Company in Hong Kong on Tuesday, 15 September 2015. The register of members of the Company will be closed from Friday, 11 September 2015 to Tuesday, 15 September 2015, both days inclusive, to determine the entitlement of the shareholders of the Company to the interim dividend. The interim dividend will be paid in cash, in Hong Kong dollars, on Wednesday, 23 September 2015.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates and duly completed transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 10 September 2015 for registration.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing amounted to approximately USD247.1 million. As at 30 June 2015, we have used approximately USD41.1 million for acquisition and development of cemeteries and columbarium, working capital and other general corporate purposes. The remaining net proceeds are intended to be applied in the manner consistent with that set out in the prospectus of the Company dated 4 December 2014.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining the best practices of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "CG Code").

The Board is of the opinion that the Company has complied with the code provisions as set out in the CG Code during the six months ended 30 June 2015.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted its own code of conduct regarding Directors' securities transaction on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the code during the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM REPORT

This interim results announcement for the six months ended 30 June 2015 is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nirvana-asia-ltd.com), and the 2015 interim report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Nirvana Asia Ltd
Dato' Kong Hon Kong
Managing Director and Chief Executive Officer

Hong Kong, 26 August 2015

As at the date of this announcement, the executive Directors are Dato' Kong Hon Kong, Kong Yew Foong, Soo Wei Chian and Kong Yew Lian; the non-executive Directors are Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Li Gabriel, Ang Teck Shang and Tse Po Shing Andy and the alternate Director to Tse Po Shing Andy is Barnes II, William Wesley; and the independent non-executive Directors are Tan Sri Chan Kong Choy, Ng Soon Lai @ Ng Siek Chuan, Foong Soo Hah and Anita Chew Cheng Im.