

2016 INTERIM
RESULTS
PRESENTATION

富貴生命國際有限公司
NIRVANA asia LTD



August 2016

DISCLAIMER

These materials may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. Readers are cautioned not to place undue reliance on these forward-looking statements, which involve inherent risks, uncertainties and assumptions. No assurance can be given that actual results will be consistent with these forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statements.

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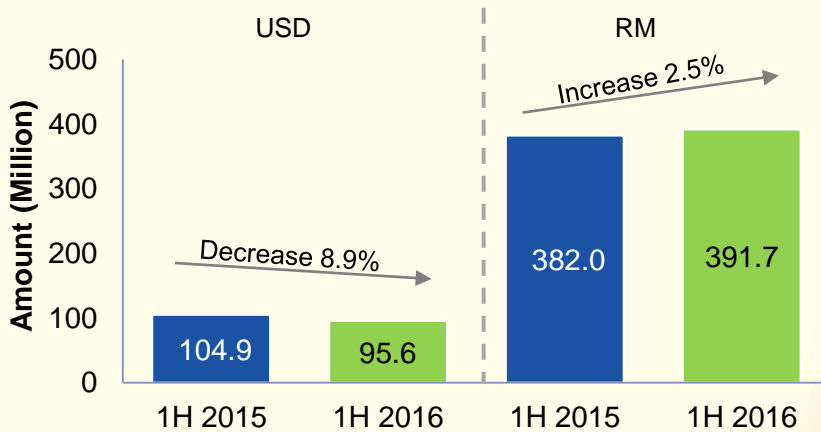
FINANCIAL HIGHLIGHT

	USD Million ³			RM Million ³		
	1H 2016	1H 2015	Change (%)	1H 2016	1H 2015	Change (%)
Revenue	67.2	78.1	(14.0)	275.4	284.5	(3.2)
EBITDA¹	16.2	46.8	(65.4)	66.2	170.4	(61.2)
Adjusted EBITDA²	25.8	29.3	(11.9)	105.4	106.7	(1.2)
Profit for the period	8.7	37.8	(77.0)	35.7	137.8	(74.1)
Adjusted Profit for the period²	18.3	20.3	(9.9)	74.9	74.1	1.1
Profit for the period attributable to owners of the Company	8.3	37.4	(77.8)	34.0	136.1	(75.0)
Adjusted profit for the period attributable to owners of the Company²	17.9	19.9	(10.0)	73.2	72.4	1.1
Contract sales	95.6	104.9	(8.9)	391.7	382.0	2.5

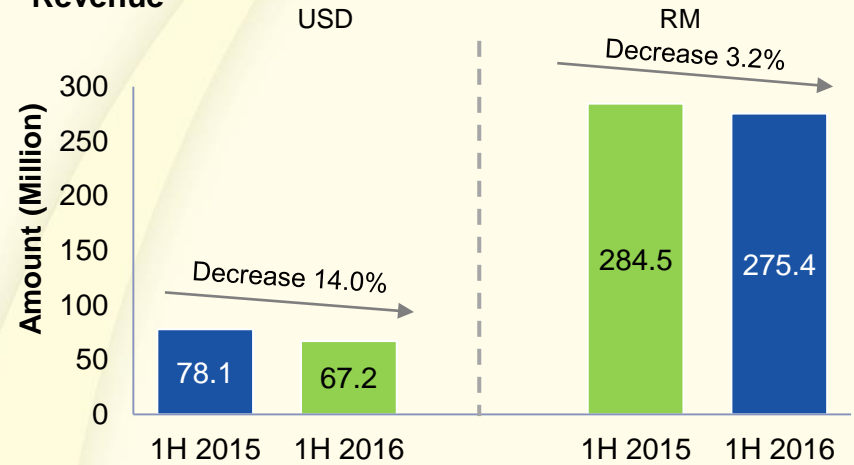
1. EBITDA is calculated by adding finance cost, depreciation and amortization to profit before taxation.
2. Adjusted to exclude (1) USD9.6 million (equivalent to RM39.2 million) of net foreign exchange loss in 1H 2016, and (ii) USD17.5 million (equivalent to RM63.7 million) of net foreign exchange gain in 1H 2015.
3. The above amounts denominated in RM have been translated into USD at the exchange rates of 4.0986 and 3.6429 for 1H 2016 and 1H 2015, respectively.

FINANCIAL HIGHLIGHT

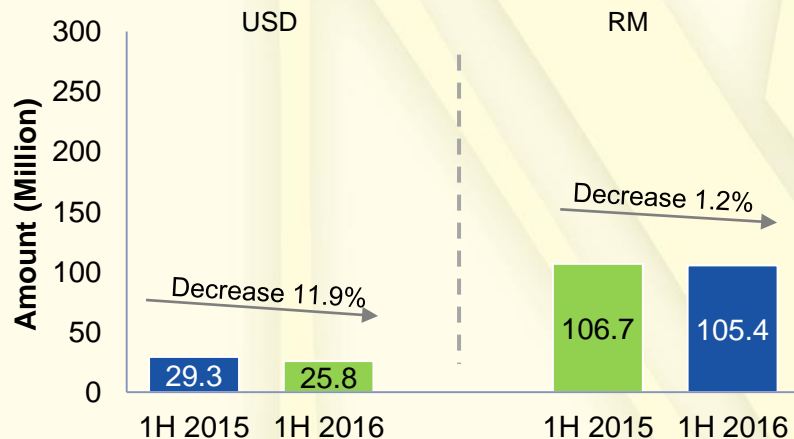
Contract sales



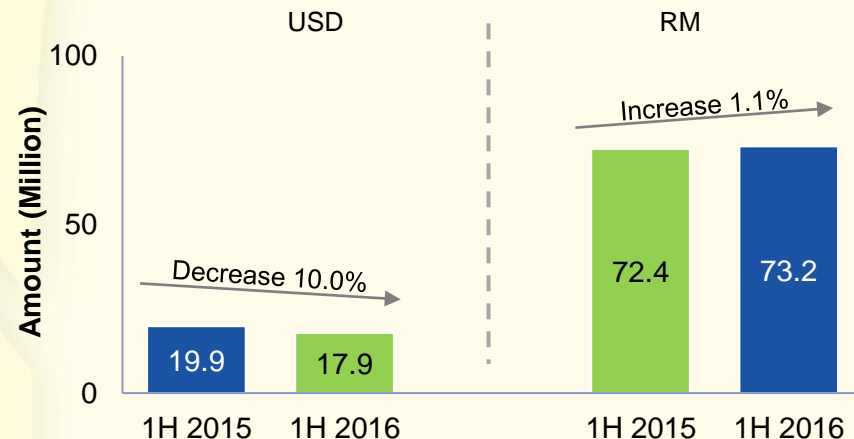
Revenue



Adjusted EBITDA

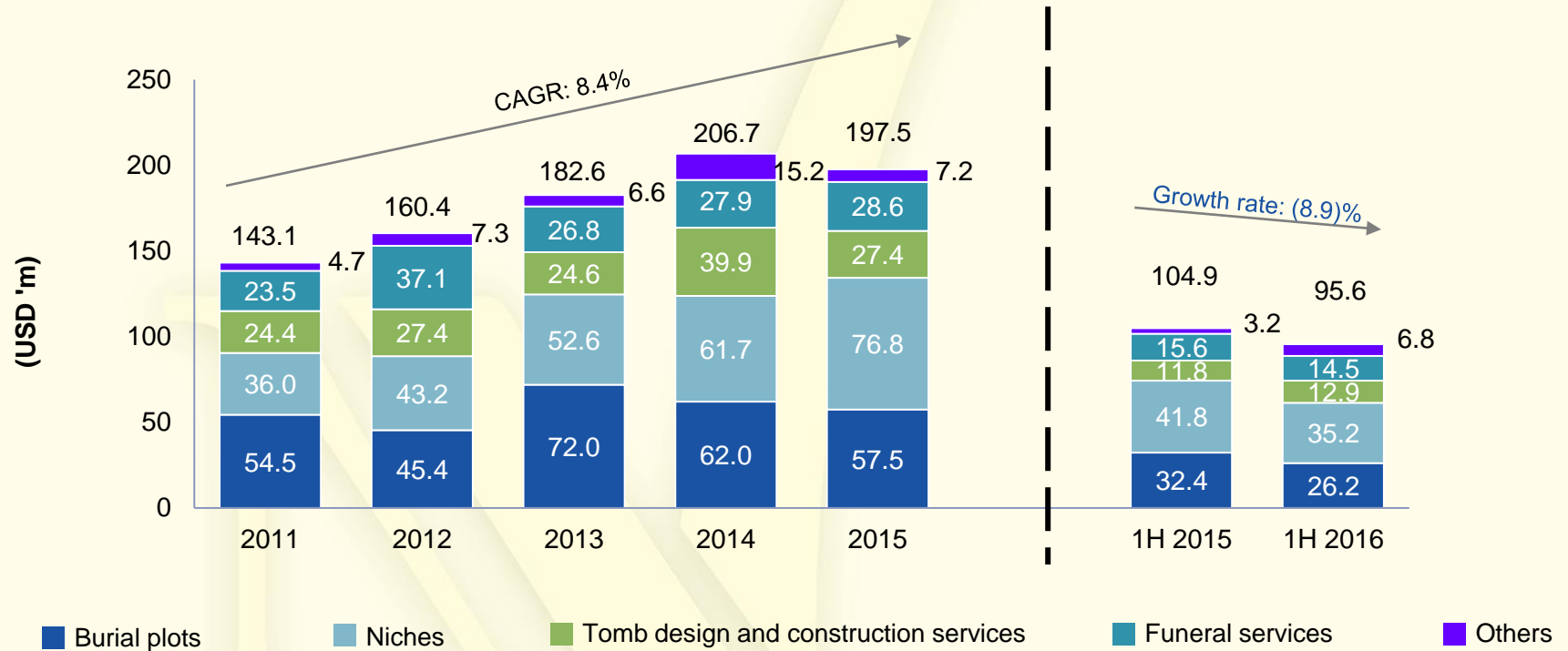


Adjusted profit for the year attributable to owners of the Company



SOLID GROWTH IN CONTRACT SALES

Contract sales evolution (USD)

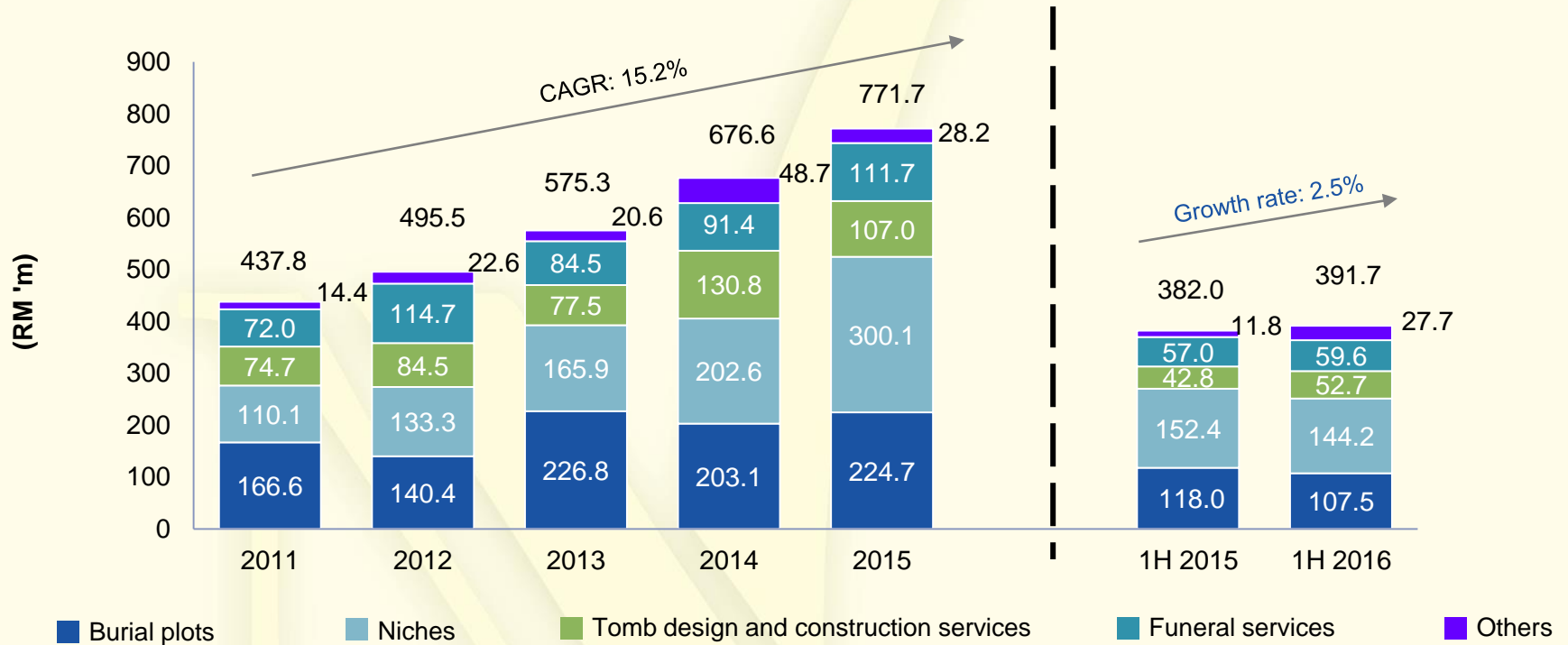


Lower contract sales in USD terms was due to the strengthening of USD against RM, year on year (“YOY”).

SOLID GROWTH IN CONTRACT SALES

Contract sales growth has continued to be robust

Contract sales evolution (RM)

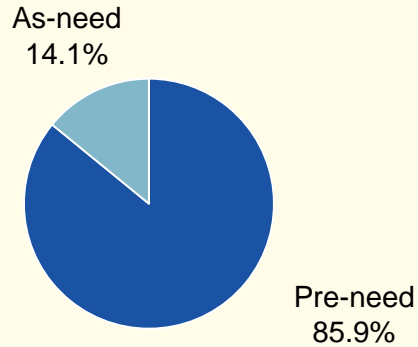


Contract sales increased by 2.5% in RM terms YOY with growth recorded from Semenyih, Penang and Kulai in Malaysia, and Singapore.

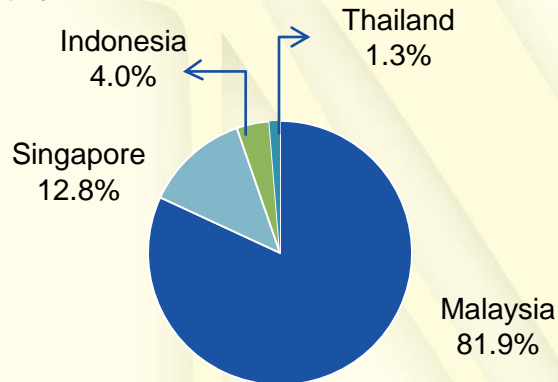
CONTRACT SALES BREAKDOWN

1H 2015

By need type

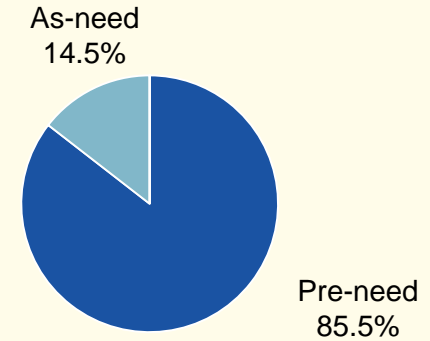


By geography

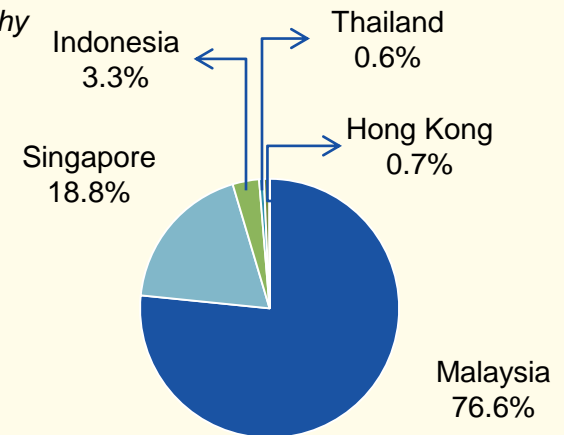


1H 2016

By need type



By geography



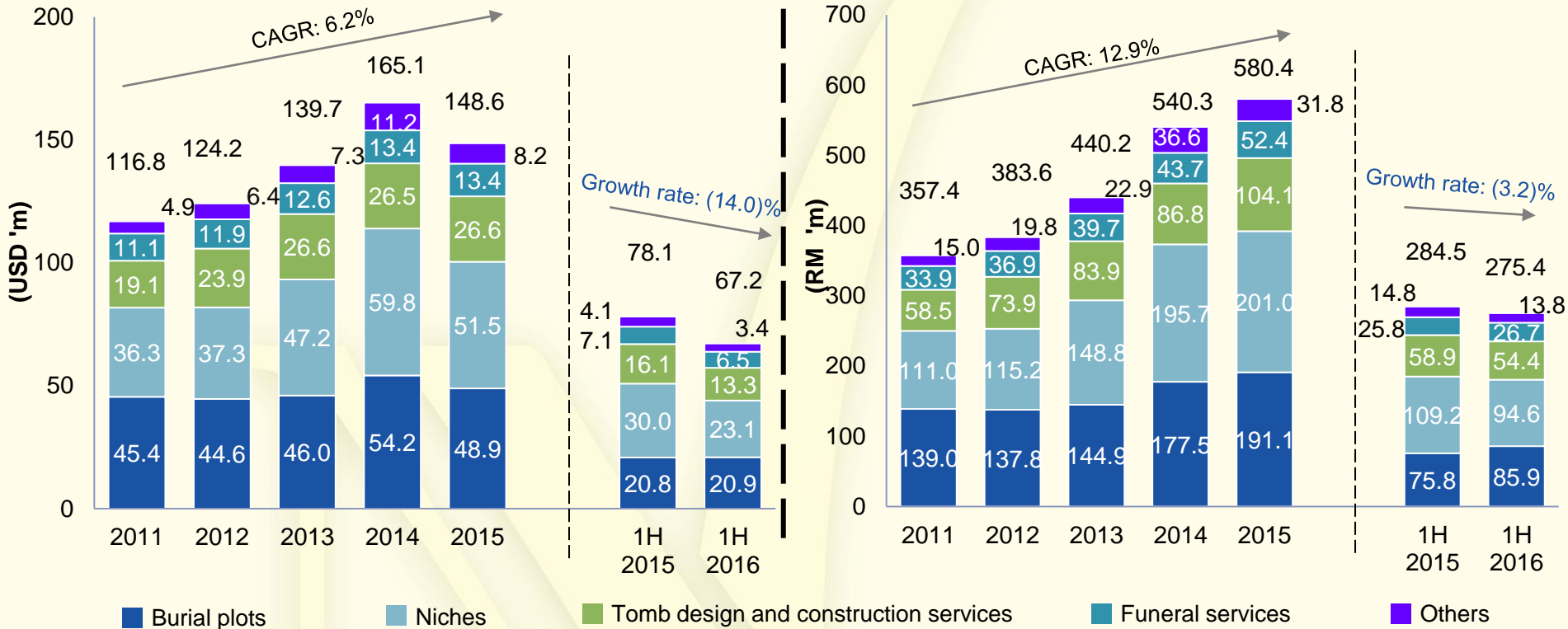
The contributions from countries outside Malaysia continued to grow. It increased by 5.3 percentage points from 18.1% in 1H 2015 to 23.4% in 1H 2016. Singapore contributed the highest contract sales growth of 50.6% YOY in RM terms following the successful lease extension of our Nirvana Singapore to August 2098 in January 2016.

SOLID GROWTH IN REVENUE

Revenue evolution

USD

RM



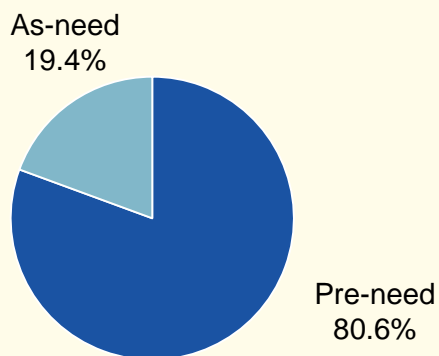
Revenue increased at CAGR of 6.2% in USD terms and 12.9% in RM terms from 2011 to 2015.

Revenue decreased 14.0% in USD terms and 3.2% in RM terms YOY primarily attributable to lower fees for construction services from Penang Island columbarium.

REVENUE BREAKDOWN

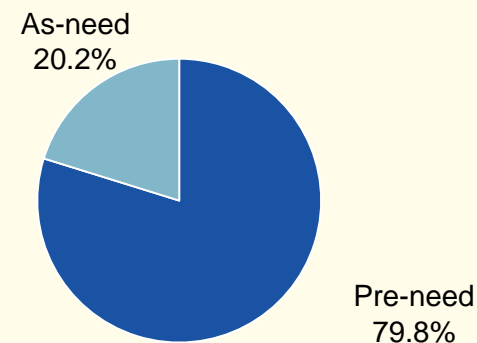
1H 2015

By need type

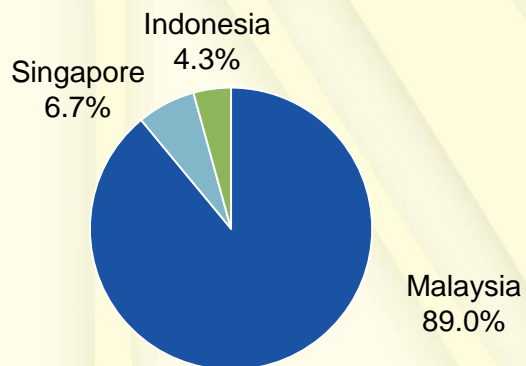


1H 2016

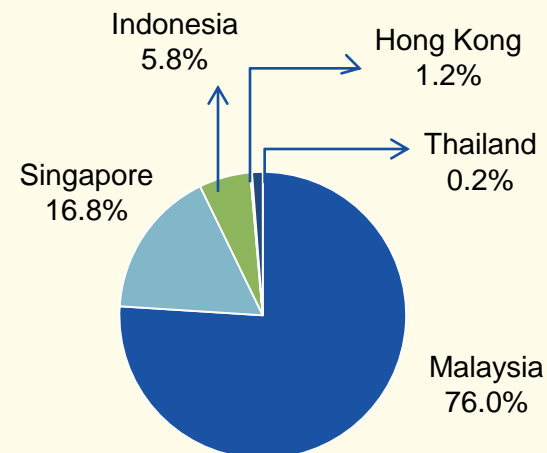
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By geography



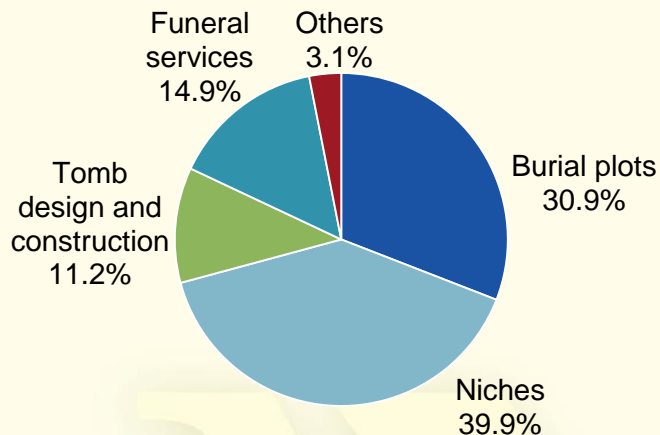
By geography



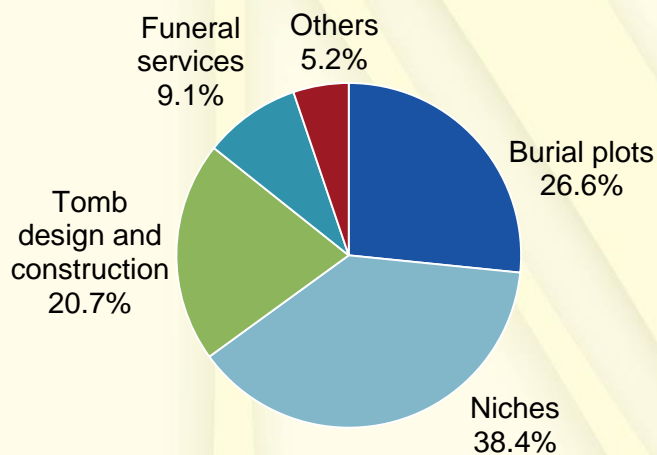
BUSINESS SEGMENT

1H 2015

By contract sales

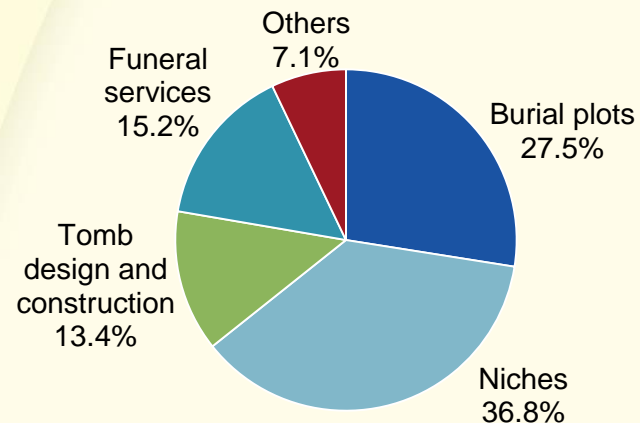


By revenue

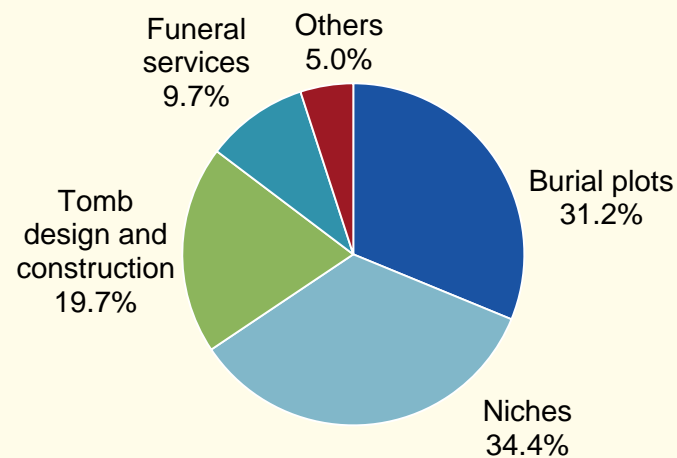


1H 2016

By contract sales



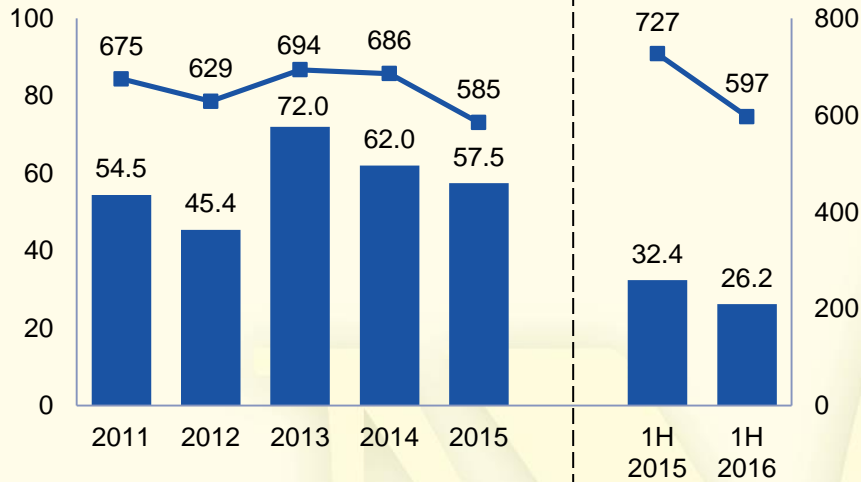
By revenue



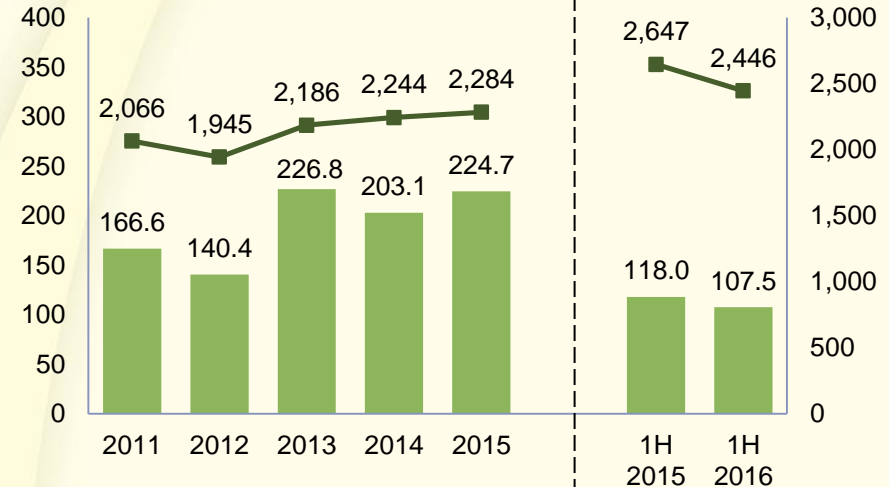
BURIAL SERVICES – BURIAL PLOTS

- Offer single, double, family-sized and garden lot burial plots in our cemeteries

USD



RM



Sq.m. sold	2011	2012	2013	2014	2015	1H 2015	1H 2016
	80,635	72,182	103,737	90,501	98,368	44,559	43,960

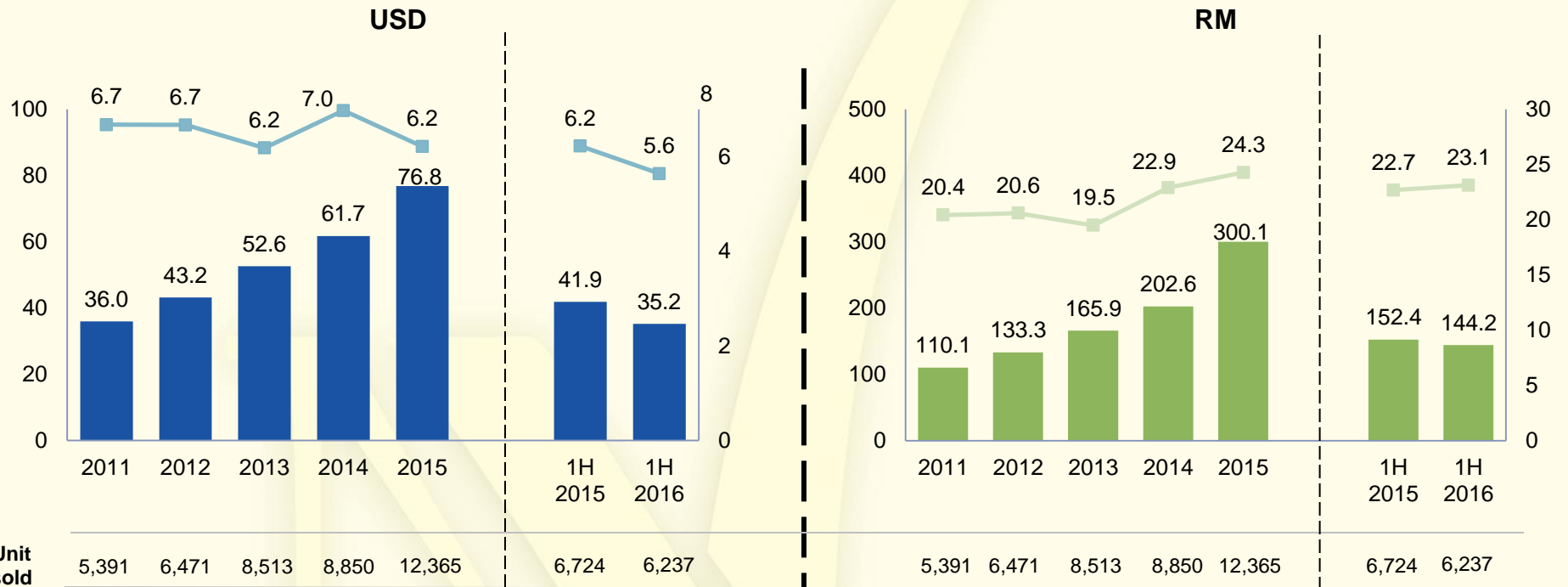
Sq.m. sold	2011	2012	2013	2014	2015	1H 2015	1H 2016
	80,635	72,182	103,737	90,501	98,368	44,559	43,960

- Contract sales from burial plots decreased by 8.9% in RM terms YOY, primarily due to (i) lower sales from Bukit Mertajam in Malaysia, and (ii) limited burial plots inventory from Jakarta, Indonesia.
- ASP per sq.m for burial plots decreased by 7.6% YOY in 1H 2016 largely attributable to lower ASP for Semenyih and Bukit Mertajam in Malaysia, and Indonesia.

Note : ASP means average sales price

BURIAL SERVICES - NICHES

Offer single, double and family-sized niches in our columbarium facilities



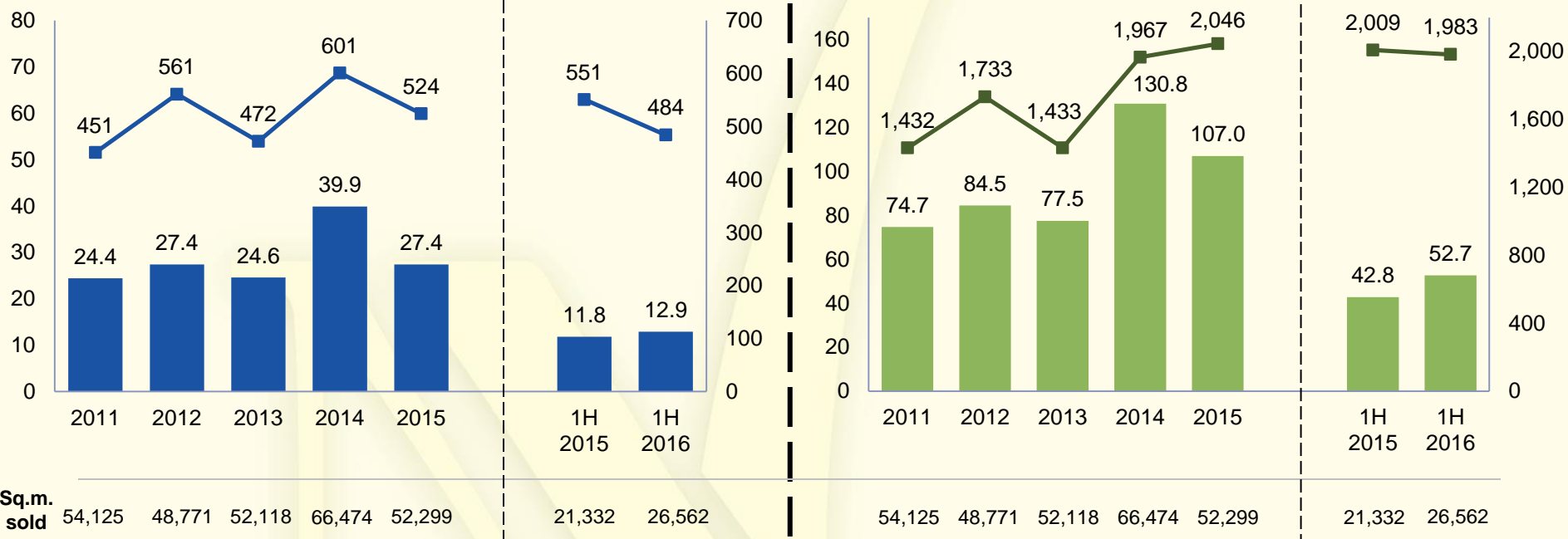
- The Group sold 6,237 units of niches in 1H 2016 representing a YOY decrease of 7.2%.
- Lower niche sales in 1H 2016 was primarily attributed to lower sales from Nirvana Center, Kuala Lumpur in Malaysia.
- ASP for niches increased by 2.0% YOY in RM terms primarily due to higher sales contribution from Nirvana Singapore which has a higher ASP.
- Lower ASP in USD terms was mainly due to the strengthening of USD against RM.

BURIAL SERVICES – TOMB DESIGN AND CONSTRUCTION

- Offer standard and personalized tomb design and construction packages

USD

RM



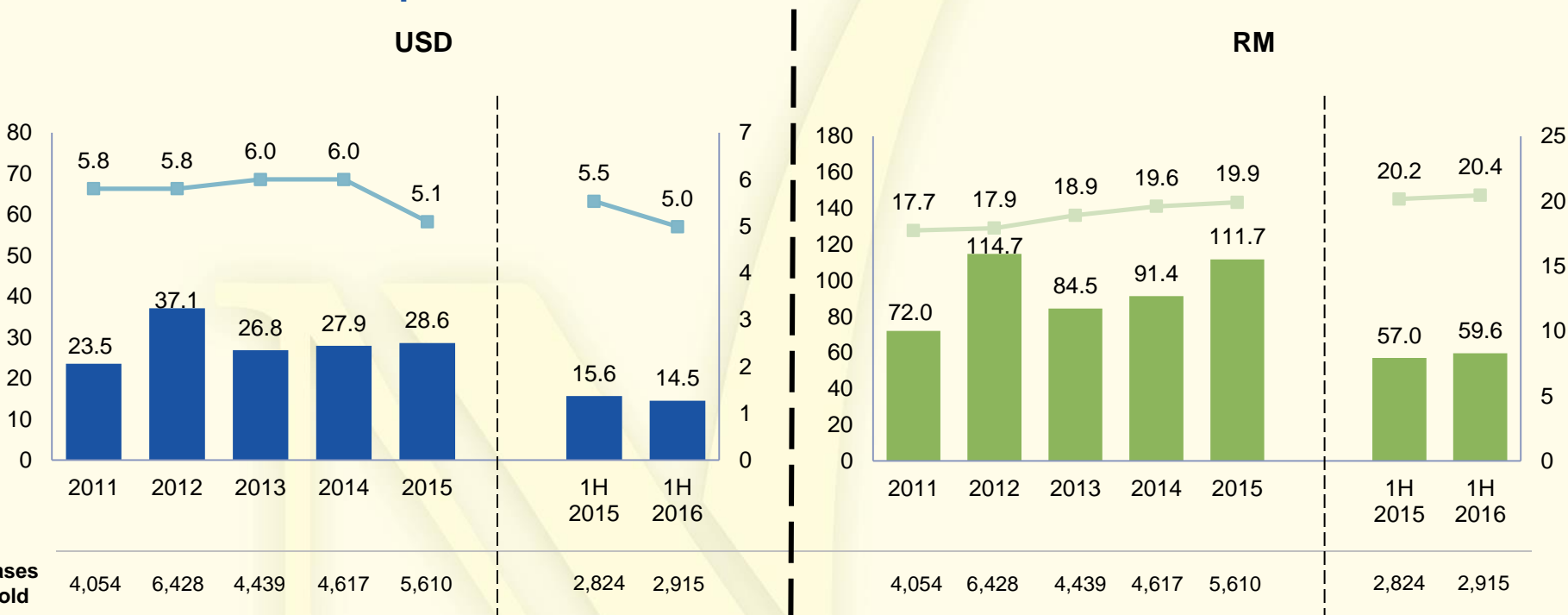
- Higher contract sales from tomb design and construction services YOY was mainly due to higher sales from Semenyih and Kulai in Malaysia.
- ASP in RM terms per sq.m for tomb remained relatively stable with a marginal decrease of 1.3% YOY.

FUNERAL SERVICES

Funeral services

We provide integrated premium funeral services that include funeral consultation and planning, transportation, embalming, cosmetology and preparation for viewing, cremation and funeral ceremonies

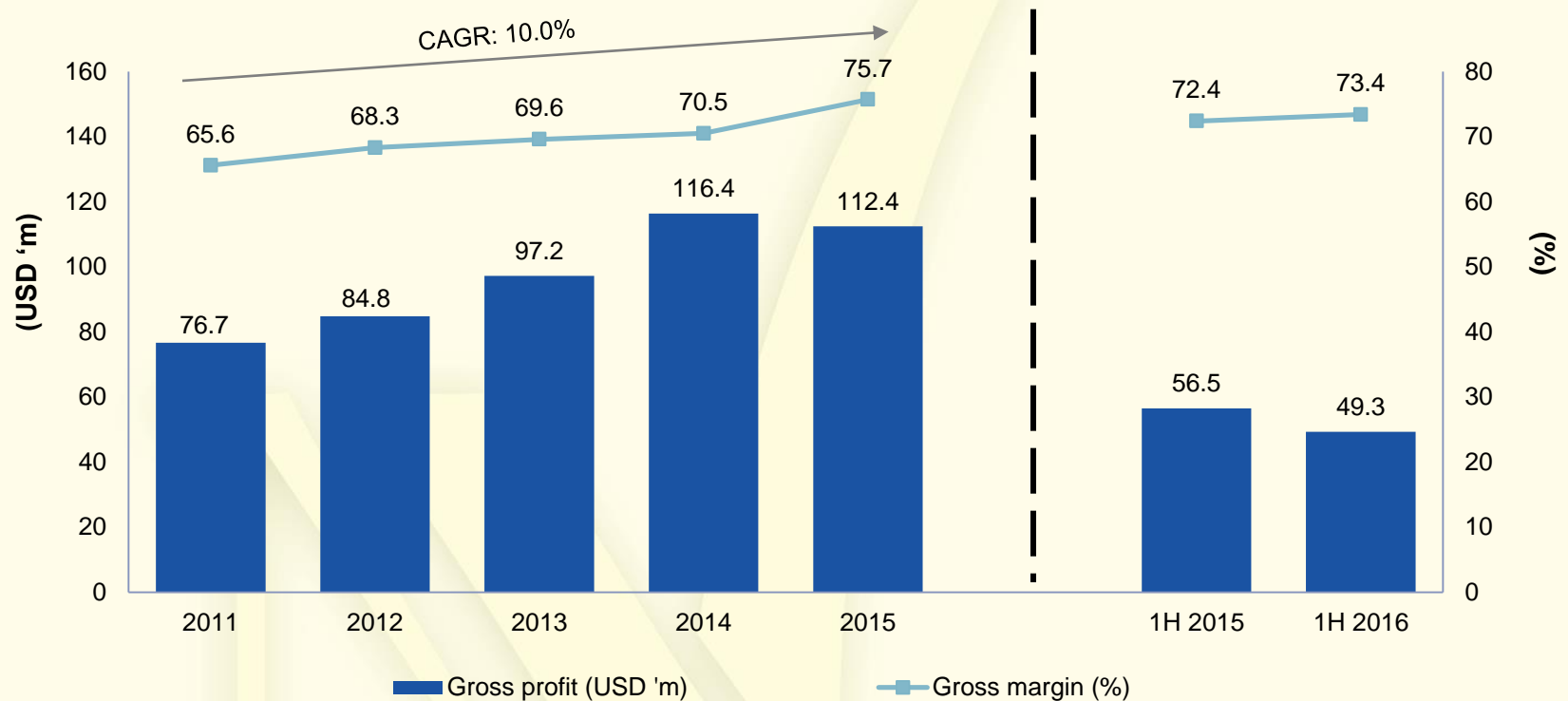
Contract sales & ASP per funeral services



- The Group sold 2,915 funeral services packages in 1H 2016, representing a YOY increase of 3.2% in 1H 2016.
- Contract sales from funeral services increased by 4.6% YOY in RM terms, due to higher sales from both as-need and pre-need funeral services.
- Higher ASP by 1.4% in 1H 2016 YOY was primarily due to the increase in ASP of pre-need funeral services.

EXPANDING GROSS PROFIT MARGINS

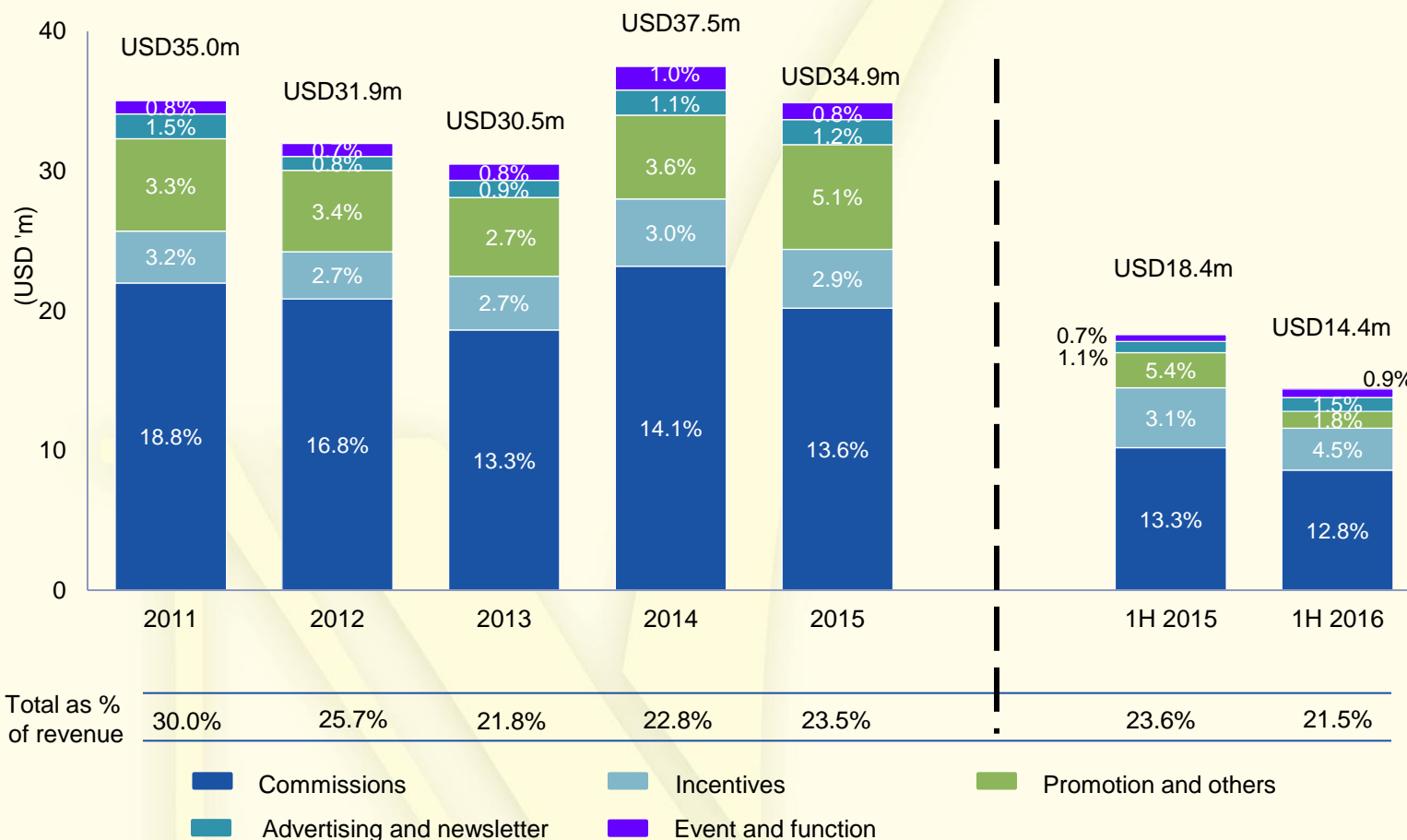
We enjoy premium pricing for our products and services through a combination of market leadership, recognized brand and quality services



- Overall gross margin increased by 1.0 percentage point from 72.4% in 1H 2015 to 73.4% in 1H 2016 primarily due to improved gross margin from burial services and others.

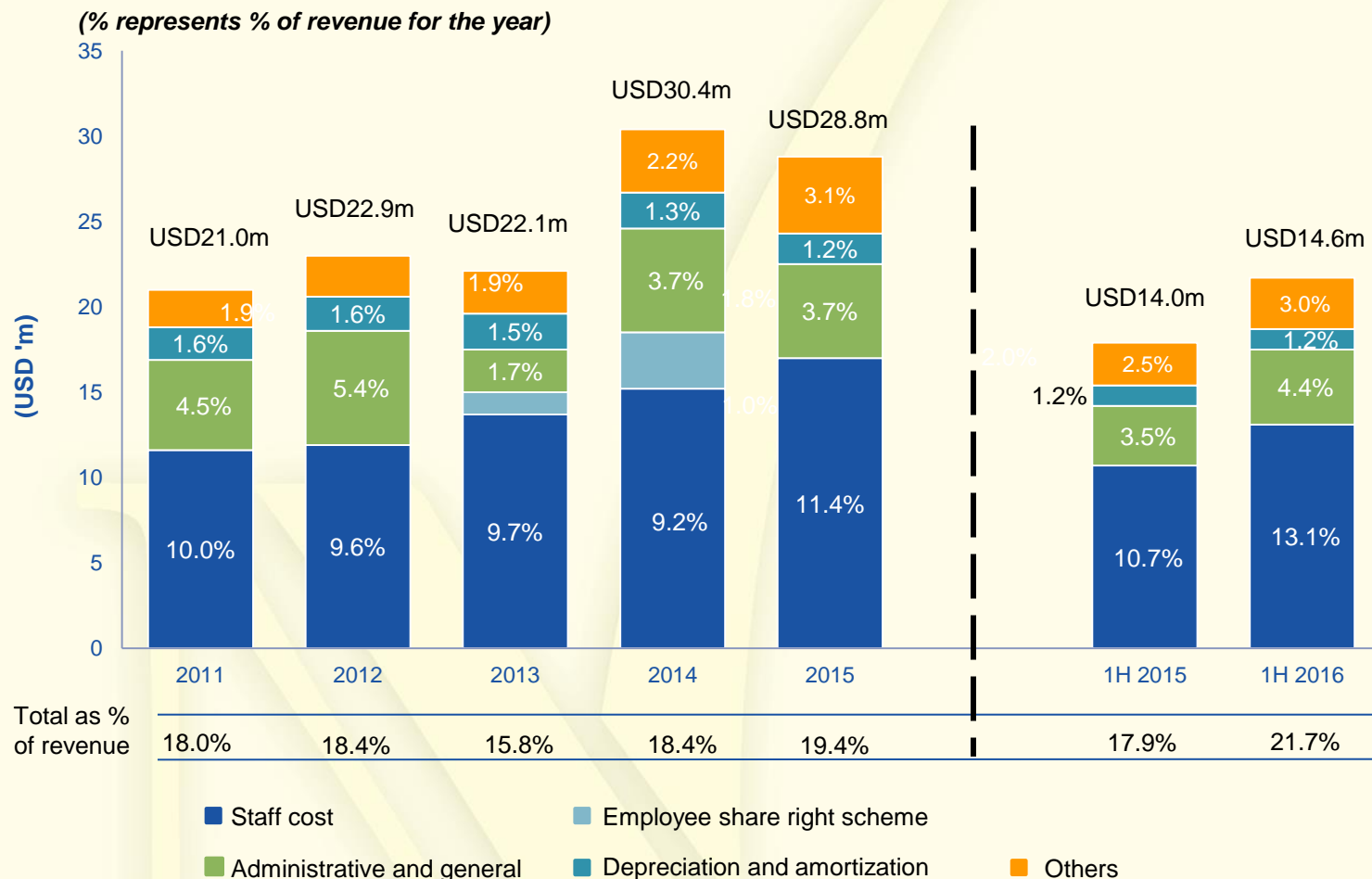
SELLING & DISTRIBUTION EXPENSES BREAKDOWN

(% represents % of revenue for the year)



The percentage of selling and distribution expenses to revenue reduced by 2.1 percentage points from 23.6% in 1H 2015 to 21.5% in 1H 2016 mainly due to lower commission, incentives and allowance for doubtful debts.

ADMINISTRATIVE EXPENSES BREAKDOWN

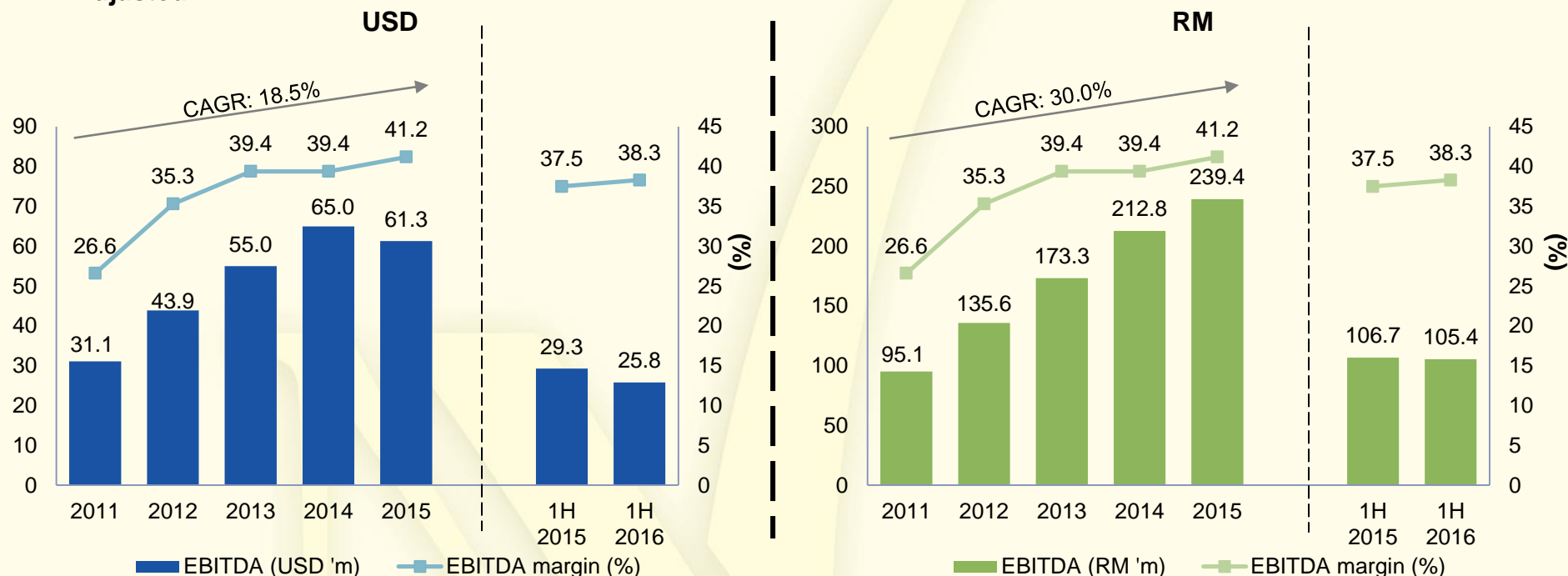


Administrative expenses increased by USD0.6 million, or 4.2%, from USD14.0 million in 1H 2015 to USD14.6 million in 1H 2016. Increase in administrative expenses was mainly due to (i) the increase in staff force following the expansion to Thailand, Medan in Indonesia, and Hui Zhou and Hong Kong in China, and (ii) the integration of work force from the tomb design and construction business acquired in March 2015.

EXPANDING EBITDA MARGINS

We enjoy premium pricing for our products & services through a combination of market leadership, recognized brand and quality services

Adjusted EBITDA^{1,2}



- As a result of the foregoing, EBITDA margin improved to 38.3% in 1H 2016 from 37.5% in 1H 2015.

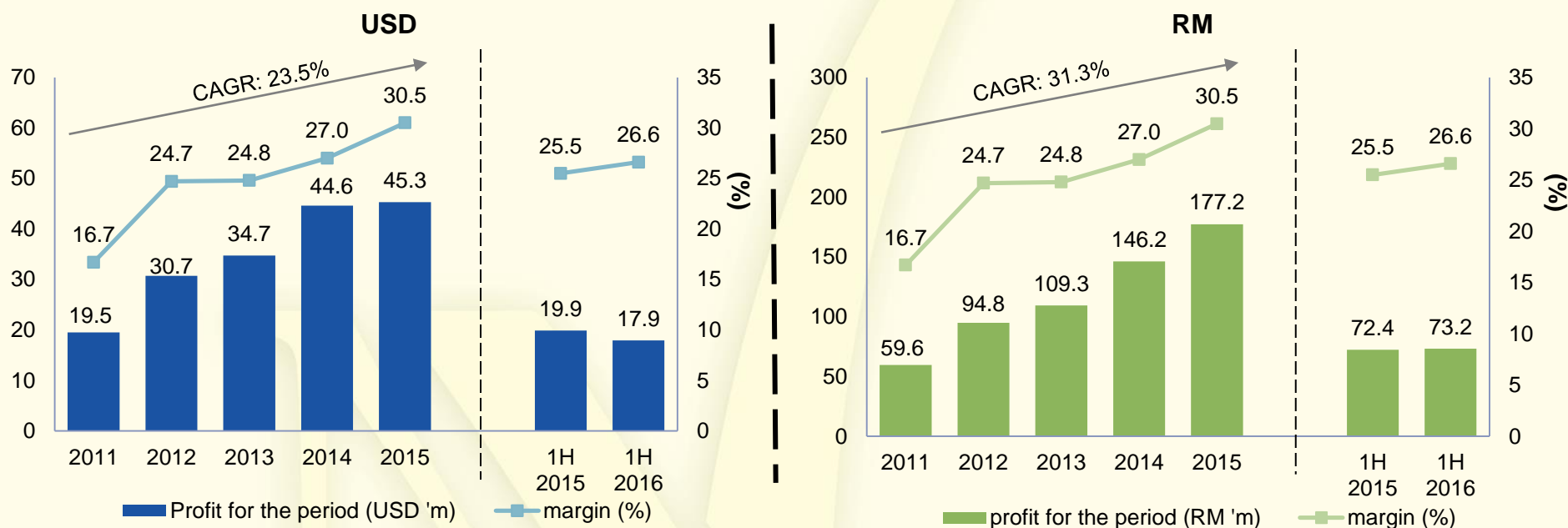
Notes:

- Adjusted to exclude (1) USD9.6 million (equivalent to RM39.2 million) of net foreign exchange loss in 1H 2016, and (ii) USD17.5 million (equivalent to RM63.7 million) of net foreign exchange gain in 1H 2015.
- EBITDA is calculated by adding finance cost, depreciation and amortisation to profit before taxation.

EXPANDING NET PROFIT MARGINS

We enjoy premium pricing for our products and services through a combination of market leadership, recognized brand and quality services

Adjusted profit for the period attributable to owners of the Company¹ (“Adjusted Net Profit”)



The Group's Adjusted Net Profit in 1H 2016 amounted to RM73.2 million, representing an increase of 1.1% as compared to 1H 2015, primarily due to (i) higher gross margin from niches sales in Singapore, (ii) improved gross margin from tomb design and construction following the acquisition of tomb design and construction business in March 2015, and (iii) lower percentage of selling and distribution expenses to revenue. As a result of the foregoing, Adjusted Net Profit margin increased by 1.1 percentage point from 25.5% in 1H 2015 to 26.6% in 1H 2016. Lower Adjusted Net Profit in USD terms was due to the strengthening of USD against RM.

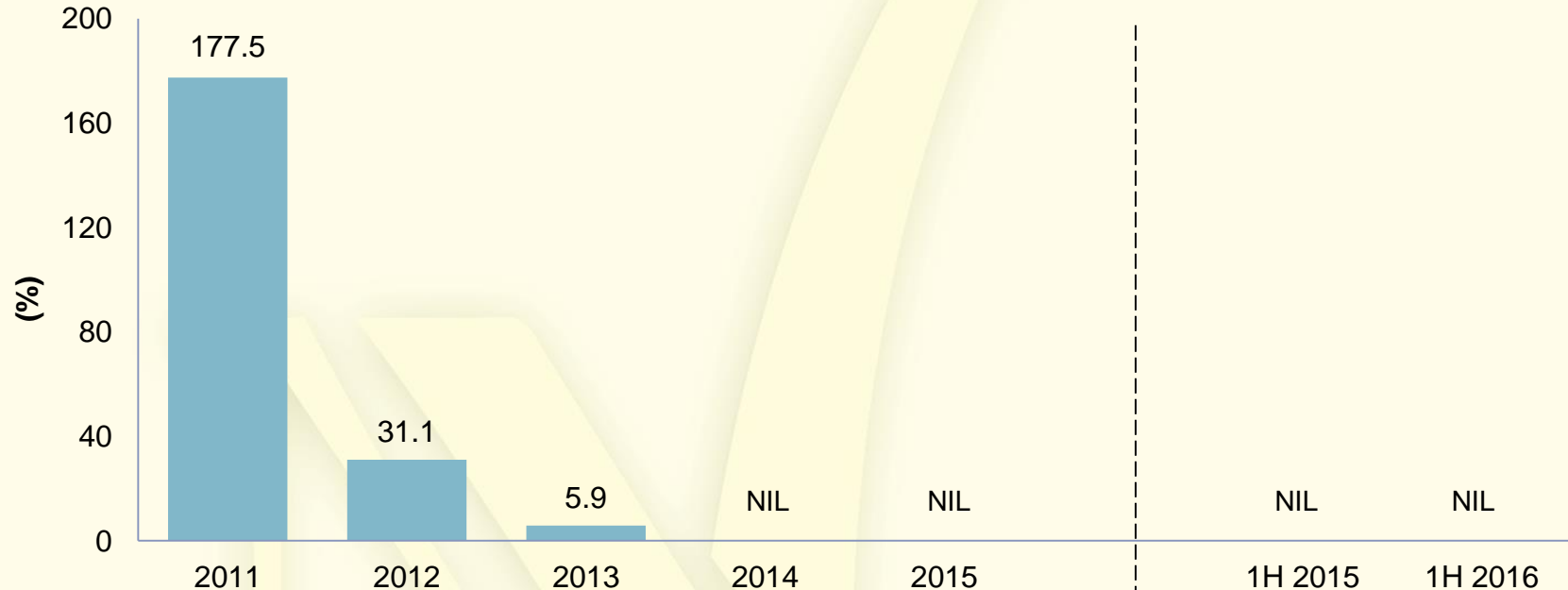
Notes:

¹ Adjusted to exclude (1) USD9.6 million (equivalent to RM39.2 million) of net foreign exchange loss in 1H 2016, and (ii) USD17.5 million (equivalent to RM63.7 million) of net foreign exchange gain in 1H 2015.

PRUDENT CASH FLOW MANAGEMENT AND SOLID FINANCIAL PROFILE

Solid cash flow generation & a strong balance sheet provides flexibility for debt financing in the future

Gearing ratio¹



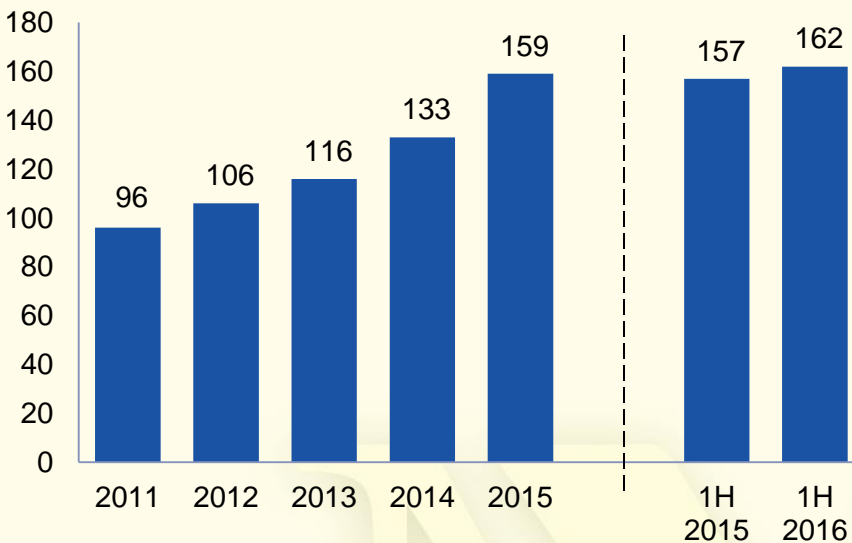
As at June 30, 2016, excluding the restricted cash amount of USD7.1 million held under the pre-need funeral service contract and maintenance service contract's trust account, the Group had total fixed deposits, bank balances and cash, and financial instruments classified under financial assets through profit or loss of USD184.0 million and a bank borrowing of USD47.4 million. As at June 30, 2016 and December 31, 2015, the Group had no gearing.

Notes:

1 Gearing Ratio = Net Debt/Total Equity

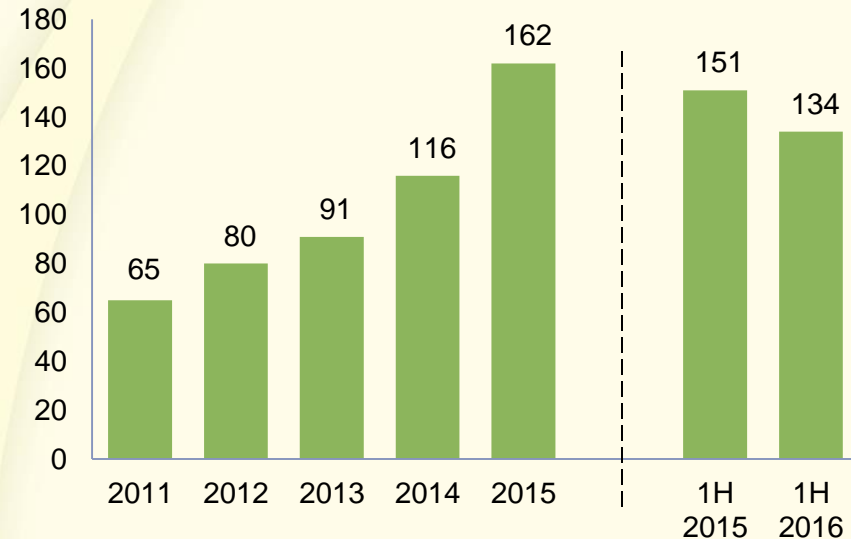
WORKING CAPITAL OVERVIEW

Trade receivables turnover days¹



- As at June 30, 2016, the trade receivables turnover days of the Group remained relatively stable at 162 days.
- As a result of installment payment, revenue is discounted at an effective interest rate ranging 6.0% to 14.8% (December 31, 2015: 6.8% to 13.5%) per annum.

Trade payables turnover days²



- As at June 30, 2016, the trade payables turnover days of the Group decreased to 134 days.
- The decrease was mainly due to payment to certain contractors in Malaysia during 1H 2016.

Notes:

- 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.
- 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.

RECENT DEVELOPMENT

1

Malaysia

a **Nirvana Center Kuala Lumpur**



- Commenced the construction of a funeral parlour cum columbarium complex in February 2015
- Total double niches equivalent : 100,000 units
- Sales commenced in April 2015
- Estimated completion by end of 2017.

b **Kuala Selangor**


- Total areas: approximately 100 hectares
- Target to commence sale in fourth quarter of 2016.

c **Klang**

- Entered into a JV agreement with Klang Kwong Tung Association to develop a columbarium cum funeral homes in Klang city centre in November 2015
- Targeted to commence sale in fourth quarter of 2016.

2

Singapore



- Build-up capacity increased from 11,000 sq.m to 43,000 sq.m
- Lease expiry date extended from August 2029 to August 2098



- ★ Sites under development
- Existing cemeteries and columbarium facilities
- ▲ Future new site

RECENT DEVELOPMENT

3 Banbueng, Thailand

- In May 2015, started selling burial plots on a pre-need basis at our cemetery near Bangkok
- Total area: approximately 30.4 hectares

4 Hui Zhou, China/ Hong Kong

- As marketing agent, commenced sales of Huizhou's cemetery product and services from our sales office in Hong Kong in November 2015

5 Dong Nai Province, Vietnam

- The group had obtained the approval-in-principle from the relevant authorities to develop a cemetery.
- Target to commence construction in the first half of 2017
- Total Area: approximately 40.5 hectares

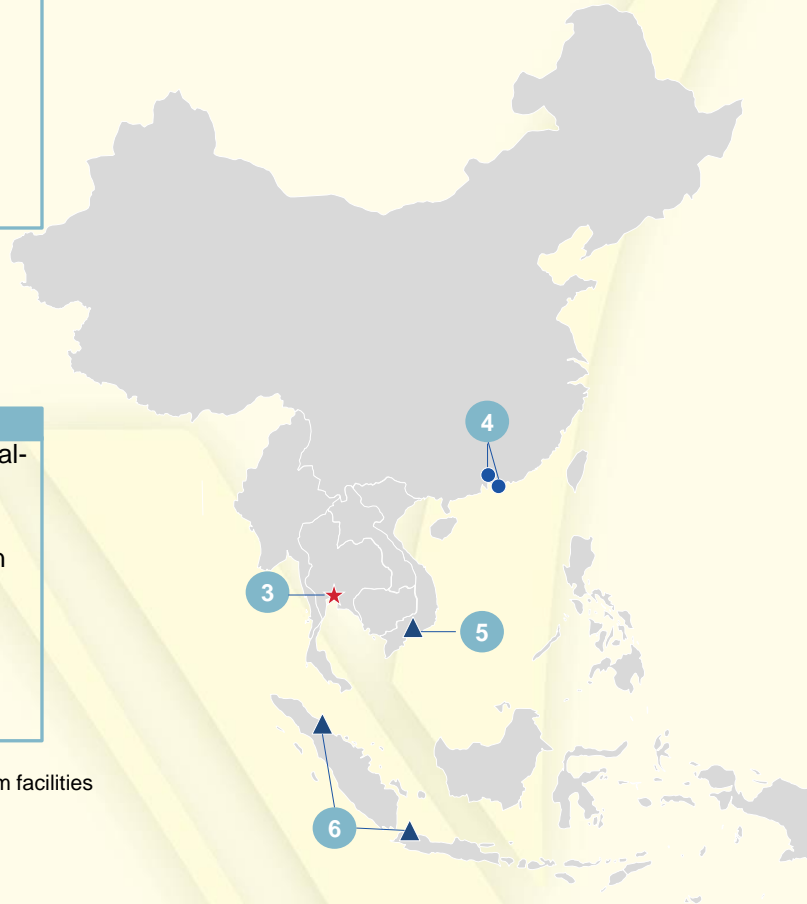
6 Indonesia

a Tangerang, Jakarta

- Acquired 27 hectares of land and in the process of acquiring further 23 hectares of land and obtaining approval to commence selling

b Medan

- Target to commence sales in third quarter of 2016
- Total area: approximately 75.2 hectares



● Existing cemeteries and columbarium facilities

★ Sites under development

▲ Future new sites

Note

1 Absolute numbers represent double burial plots equivalent and double niches equivalent

Q & A

